

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

*Now Over...*

## ONE BILLION DOLLARS

### INSURANCE IN FORCE



In December, 1955, Southland Life Insurance Company passed a milestone thus far reached by only fifty life insurance companies in the entire nation . . . *more than one billion dollars insurance in force*. This has been accomplished in less than 47 years of active business life for the Company.

Today, over half a million American families are protected by Southland Life with one or more of its many protection plans. The Company has paid more than \$128 million to policyowners and beneficiaries since organization.

Southland Life is proud of the opportunity to make investments in the communities where our policyowners and friends live and carry on their business activities. We are proud, too, of the contribution of time and energy to the civic and religious life of their local communities made by our employees and sales representatives, who number over 1,600.

#### Southland Center Ground-breaking



Keeping pace with the growth of the Company, Dallas and the great Southwest, Southland Life broke ground on December 31 for the 42-story SOUTHLAND CENTER. To be constructed on an entire block in Downtown Dallas, SOUTHLAND CENTER will provide the ultimate in office building facilities and conveniences and can be truly known as "The Most Distinguished Business Address in the South." The Home Office of Southland Life will occupy up through the 18th floor of the building.

Included in the project, scheduled for completion in 1958, will be a garage capable of handling more than 2,000 cars per day on 5 below-ground levels, numerous retail stores and shops, restaurants and large auditorium facilities. A feature of the Center will be its beautifully landscaped plaza areas and covered promenade walks.

Southland Life Insurance Company is dedicated to PEOPLE—dedicated to policyowners and their beneficiaries, to sales representatives, to employees, to the stockholders and to the public.

Funds administered by Southland Life are considered a sacred trust, to be guarded and increased through a sound investment program for the benefit of all who have made accumulation of these funds possible. No passing of the years and no realization of future achievements can alter this pledge we make to the PEOPLE we serve.

59 Branch Offices  
HOME OFFICE, DALLAS, TEXAS  
DIVISION OFFICE, WASHINGTON, D.C.

## Southland

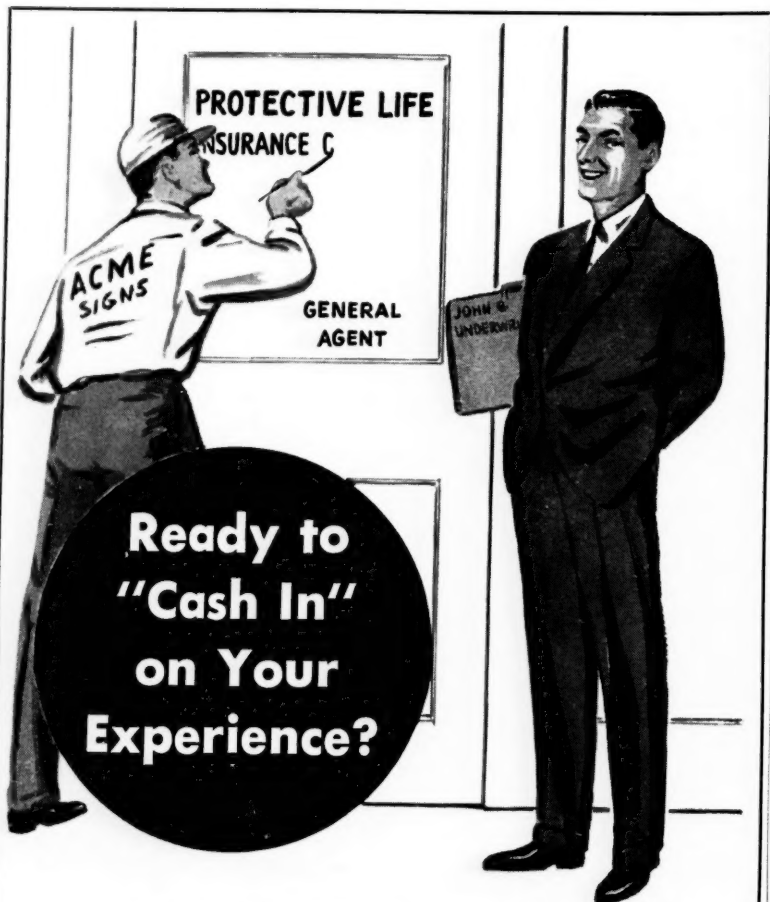
Life Insurance

Serving  
Since  
1908

## Company

LIFE • ACCIDENT • HEALTH • HOSPITALIZATION • GROUP

FRIDAY, JANUARY 13, 1956



If you are a successful life insurance agent, your experience is one of your most important assets. Investing this asset in a Protective Life General Agency guarantees increased opportunity, greater immediate earnings, and permanent future security.

Investigate now the many advantages of becoming a Protective Life General Agent, including:

- ★ A flexible, top-commission General Agent's contract which allows you to utilize all of your managerial and production abilities.
- ★ Continuous supervision and advanced field training to all new agents you bring into the business.
- ★ Effective visual presentation material on a variety of policy contracts which spurs new agents into immediate production.
- ★ A prestige-building advertising and promotion program tailored to fit any situation.

#### GENERAL AGENCY OPENINGS THROUGHOUT THE SOUTHEAST

Write to C. B. Barksdale, Agency Vice-President

Insurance In Force More Than \$723 Million

## PROTECTIVE LIFE

William J. Rushton  
President

Serving the South  
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING  
BIRMINGHAM, ALABAMA



### A SPECIAL POLICY

Ten Payment Life policy with first year cash value and dividends. Beginning with 6th year, premium reduced 50%. Minimum issue, \$50,000. A top competitor.

### A SPECIAL ILLUSTRATION FOLDER

For the first time, an attractive, easy to use, all-in-one FUNDED PREMIUM PLAN presentation folder complete with sales track and figures. See for yourself! Just complete coupon and mail today!

*Providing sound coverage at reasonable cost  
through competent representatives. Bankers National's  
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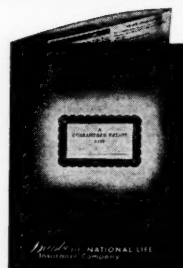
#### GENERAL AGENCY INQUIRIES INVITED

Send me a Funded Premium Plan illustration  
for age.....

Name.....

Address.....

City..... State.....





## House-Passed Tax Bill Seen as Best One-Year Stop-Gap

Would Only Have to Pass Senate to Take Care of Company Levies for 1955

WASHINGTON—Enactment for a single year of H. R. 7201, the life company income tax bill passed unanimously by the House last year just before adjournment, now appears to be the most practical—in fact, probably the only practical way of letting the life companies know before the March 15 deadline what basis they should use in computing their income taxes on 1955 business.

There appears to be no practical possibility of formulating and getting action on the new permanent basis that Treasury officials are conferring on with a group of consultants loaned by the life insurance industry. Moreover, even a continuation of the present 6½% basis would involve more complications and delay than the enactment of H. R. 7201. The 6½% tax would have to start from scratch in the House. All that H. R. 7201 needs is passage by the Senate and signature by President Eisenhower.

There are also political reasons why passage of H. R. 7201 is more desirable than any other stop-gap course. The measure was passed by the House unanimously. Because of that, a refusal of the Senate to concur could well be taken by the House as a gratuitous slap—particularly in the absence of any powerfully supported alternative to H. R. 7201 as a one-year solution. Even the Treasury was not adamant against the bill, provided it was enacted only for a single year. In its present form, the bill would be effective only for one year, though it was advocated by the life insurance industry, with a few dissents, as a stop-gap measure.

It appears that the Senate finance committee will hold hearings on life company taxation early in February. Social security legislation is also scheduled for early committee consideration. Life insurance people hope the company tax will have priority but committee sources indicated that social security hearings will probably come first.

A tentative list of life witnesses to appear on the tax bill includes the names of Robert L. Hogg, vice-president of Equitable Society and chairman of the industry's committee on taxation, and Claris Adams, executive vice-president and general counsel of American Life Convention. Undoubtedly there will be others.

The finance committee will also hear Treasury representatives. The department is expected to come up with a formula, as a result of recent conferences with a panel of experts chosen from the industry to serve as consultants.

(CONTINUED ON PAGE 13)

## CENTRAL, IOWA, PLAN

### Finds Premium Grading by Policy Size Successful

A preferred combination life insurance plan featuring a reducing premium rate for any amount over \$10,000 has been approved by insurance departments in all states in which Central Life of Iowa is doing business.

The plan, believed to be the first offered in the U.S. in which the premium rate reduces as the face amount applied for increases, was made available to Central Life agents July 1, 1955. Since then a constantly increasing percentage of the company's volume has been written on the plan, and several policies in amounts from \$100,000 to \$500,000 have been issued.

Agents have found a keen interest in and a ready market for the plan among business executives for personal as well as business insurance, according to W. F. Poorman, president.

Like other company policies, the PCL contract is available on Central Life's new API plan, an installment feature which provides for the payment of the annual premium on a monthly basis at about a third the additional charge for most monthly payment plans.

Insurance department approval of the CPL plan was obtained in a shorter period of time than for any previous Central Life filing. Norman T. Fuhlrott, executive vice-president and actuary, commented. Iowa, the first state to approve the plan, gave its OK May 10 and the last state, Oklahoma, granted approval June 23. Approval in Maryland was gained at the time the company entered the state in December.

Illustrative rates per \$1,000 of face amount for the new plan are:

Amount	Age 25	Age 35	Age 45
\$ 10,000	\$17.69	\$23.58	\$33.61
25,000	17.27	23.15	33.16
50,000	17.14	23.01	33.01
100,000	17.07	22.94	32.94

The premium per \$1,000 varies for

## N. Y. Life Sales in 1955 Top \$2 Billion for First Time

New York Life sales in 1955 totaled \$2,161,312,571, up 16.5%. It was the first time sales have exceeded \$2 billion.

Individual life sales totaled \$1,800,541,100, up 20.9%, for another record. Group sales totaled \$360,771,471, including \$43,427,600 in the federal case. Group sales in 1954 totaled \$365,564,042 and included \$134,356,600 of the federal group. Group contracts in 1955 totaled 1,021, increase 419.

Group A&S contracts sold totaled 710, up 126, and represented yearly premiums of \$8,936,444, up \$406,634. Personal A&S sold in 1955 totaled \$1,806,000 in yearly premiums, off \$15,000.

## Old Line Life Has Best Sales Month in December

December was Old Line Life's largest production month. Sales quotas were topped by 78% of the general agencies. During December a loyalty sales campaign honored Chairman J. H. Daggett. Business for the fourth quarter exceeded that for the corresponding 1954 period by more than 28%.

every intermediate amount of insurance and continues to reduce for larger amounts. The present dividend scale is the same for all amounts of insurance at any specific age.

Non-forfeiture values are the same for all amounts of insurance at any age at issue prior to attained age 81.

The preferred combination plan is a combination of life paid up at age 95 and life paid up at age 90, issued as one policy. It is issued from ages 1 to 60 inclusive, to both males and females, and substandard within the company's retention limits.

The same commission rates are paid on this plan as on other life plans. The grading of premium principle is applied only to the preferred combination plan at present.

## Utmost Vigilance Needed to Avert Inflation: Shanks

Prudential President, in

L. A. Talk, Lists Factors

Favoring Long Prosperity

LOS ANGELES—The ever-present "very real threat of inflation" could reverse all trends and "undermine our potentials," said President Carrol M. Shanks of Prudential at the business out look conference of Los Angeles Chamber of Commerce.



Carrol M. Shanks

Of the two possibilities—war and inflation—that could upset the otherwise excellent long term economic outlook, Mr. Shanks called inflation the more dangerous because it is more likely to become a critical problem.

"I cannot believe," he said, "that a major war is probable in the reasonably near future unless it starts by accident, which is always possible. On the other hand, we are constantly faced and are today faced with the very real threat of inflation."

"Creeping inflation has been with us for years and we have been on the verge of galloping inflation more than once. There are factors in our present economy and strains to come in the future which will call for firm government action and unreserved business cooperation. In short, governmental and business statesmanship is our only dependable protection."

Mr. Shanks took a generally highly optimistic view of the long-range economic picture. He supported his conclusions with a wealth of specific data. He warned, however, that in periods of prosperity "we are tempted to project recent gains far into the future and predict a wonderful new world—a world with no economic difficulties, with endless leisure, easier profits—and little need for firm and dedicated leadership."

"Prosperity, after a while, begins to look too easy," he commented. "We sometimes forget that a prerequisite of prosperity is good management—and that means work."

By 1965, Mr. Shanks said, the United States may be able to increase goods and services by 40% and thus provide a good living standard for the population of 190 million or more people, it will have by then. This won't be easy, he warned, since most of the population increase will be in the below-18 and the above-65 age groups and will add only 15% to the labor force. The 40% more goods and services can come

(CONTINUED ON PAGE 13)

## Late News Bulletins . . .

### Mutual Fund Man Favors Variable Annuity

NEW YORK—W. Emlen Roosevelt, president of Investors Management Co., which supervises four mutual funds sponsored by Hugh W. Long & Co. of Elizabeth, N. J., has come out in favor of legislation to permit life companies to write variable annuities, provided it embodies the safeguards set forth in the recommendations adopted recently by National Assn. of Insurance Commissioners. Mr. Roosevelt and Mr. Long vigorously opposed at a legislative hearing last spring the bills Prudential is seeking in New Jersey. Mr. Roosevelt said this week his opposition was based on the absence of what he considered sufficient safeguards in the Prudential bills and he hopes the bills will be modified to embody the NAIC recommendations.

### Propose North American, Ill., Capital Hike

North American Life of Chicago had paid for business in 1955 of \$52 million as against \$33 million the previous year. The gain in insurance in force will be more than double that of 1954, the increase running in excess of \$30 million.

Stockholders at a meeting Feb. 14 will consider a directors' proposal for a 50% stock dividend payable to holders of record Feb. 20. This would boost capital to \$1,500,000.

## Texas Department Leaders Issue Fighting Statements on Future of State Regulation

As the turnover in the chairmanship of Texas board of insurance commissioners took place last week, the retiring chairman, Garland Smith, and his successor, Byron Saunders, each issued statements. Both were of a fighting nature, and they are given in greater part herewith:

### BYRON SAUNDERS

I believe that we have come to the time for a showdown to see whether the insurance industry of this state is to be regulated by the board or by its critics who have tried—and are trying—to frustrate the clean-up of the bad practices and predatory operators in the business.

For a long time—for reasons I have no knowledge of—there seems to have existed the idea that the insurance commission should be seen very little and heard not at all. There has been considerable resistance to the effort to have a strong commission, properly staffed and properly armed to regulate the state's second largest industry.

There may have been a time when such a situation was tolerable. But insurance has become far too vital a part of our society today to permit its regulation to be complacent.

In this area, as in few others, the exercise of regulatory authority by state government must be hard-hitting, uncompromising, and fair or else that authority is not only worthless but deceitful as well. The public properly presumes that a company permitted to operate is worthy of confidence. Whenever companies are not worthy of such confidence, the fact that they are operating deceives and misleads the public.

Until Sept. 6, 1955, when the new insurance laws went into effect, this board was often in the unenviable position of being unable to protect or even to warn the public of operations which it knew to be unworthy of public confidence. We had more responsibility than we had authority. This situation has been corrected.

The laws we now have are strong laws. We have studied them carefully and thoroughly and I rather suspect that there is more strength in them than was apparent at the time of their passage.

We have embarked upon a program to test those laws and find out how strong they are. If the public welfare is in jeopardy, we are going to use those laws vigorously and let the courts tell us if and when we are too vigorous. We are not going to occupy ourselves deciding what we cannot do.

We realize that this is a decisive and critical time for Texas insurance. We realize that our responsibility is tremendous. We are determined to answer this challenge by giving Texas the strongest insurance regulation in the nation, and we intend to reach that goal within the year.

We may not do things in the future as they have done in the past. We intend to reexamine and revitalize the entire department wherever and however such action will serve the public interest. We are not going to concede that any job is too big or too complex to be done if the public interest necessitates that it be done.

Over the past months, the critics—paid and unpaid—have had a field day. They have talked and whispered and gossiped freely and loosely and they have done a masterful job of undermining the public confidence in the board and in public regulation. I want to serve notice here and now that the

day of patient silence on the part of the board is over. We are going to be seen and we are going to be heard and we are going to give our side of the story without hesitation.

Our work here is non-political and non-partisan. We are not going to sit by quietly and allow politics to treat insurance regulation as a football. Insurance regulation is out of politics and it is going to stay out.

We may have a day-and-night job on our hands, but we are going to get the job done. Before we are through, Texans are going to have reason to be proud of their insurance commission and insurance industry. There is a lot of room in Texas, but there is no room for those who are expecting to prey upon the public with their insurance schemes. As far as this board is concerned, those operators might as well start packing their bags right now.

### GARLAND SMITH

The period during which I have served as chairman has been the most active in Texas insurance history. The industry has grown rapidly, and the commission now has a regulatory job many times larger than that of any other regulatory agency among the 48 states.

I have lived for a long time with a heavy share of the responsibility for trying to maintain proper standards of regulation with a regulatory machinery and a body of regulatory laws which were designed for an earlier day and were less than adequate when I came onto the board as casualty commissioner in 1952.

We have tried to strengthen Texas insurance regulation with the powers available to us. That has not been an easy job. Through long years of relative indifference or disinterest, a great many people seemed to have lost perspective on the role the insurance commission is supposed to fill.

As a result, our performance of duty has over a long period been subject to an unusual amount of harassment, resistance, deliberate misrepresentation, and criticism.

No board in Texas history has been as active as we have been in taking action to place in receivership and put out of business the unsound operations and shady operators who had wormed through legal loopholes to enter the Texas insurance industry.

This has not been popular with the promotional fringe. As a result, they together with various witting and unwitting allies have tried desperately to bring the board's clean-up campaign to a halt. They have challenged and they are now challenging whether this board or any subsequent board can establish and maintain firm regulation over the fringes of this business.

I think it is time for a showdown. Solvency is the product of management, not of state laws or state regulation. The state cannot keep companies solvent. It can only keep companies from operating when they become insolvent. Yet today we are in a situation in Texas in which the board is blamed and abused for each insolvency, and those who have harmed the

public are held up as lily-white heroes.

The promoters have learned that their best defense, apparently, is to attack the board, individually and together. We have enforced the law more vigorously than any other board but we are accused of laxity. We have put more promoters out of business than any other board but we are accused of coddling them. When we put them out, then we are accused of persecuting them. Vicious and malicious innuendo about bribery and corruption is circulated against the commission and its staff, but I would note that in every instance the source and authority for such allegations are promoters we have put out of business or else henchmen in their pay.

It has boiled down to a simple choice of whether the board or its critics will regulate insurance in Texas.

I think we can settle this fight this year.

We have made mistakes. We have tried too many times to conciliate differences within the industry. We have for too long held to the traditional pattern of Texas insurance regulation. That pattern won't work any more.

We have a wholesome body of new laws. We have more personnel and more power. We can attack the problems facing us with more vigor and more force than ever before. That we are going to do.

I have been in this position for a long time. I know that any man in such a position acquires enemies and critics, and I have my share. I don't mind them sniping at me, but I don't want that sniping to detract from what the board is going to be doing. For that reason, I believe that a new chairman will help carry out the new program of the board more effectively.

## General American in Force Figure Passes \$2 Billion

General American Life this month delivered a \$2,500 life policy that brought its total life insurance in force to \$2 billion—double what it was six years ago.

Powell B. McHaney, president, presented the policy to Anthony Gatzert, agency secretary, who bought the policy for his grandson, five-year-old, Terry O. Kranning. Mr. Gatzert has been with General American and its predecessor companies for 44 years.

A large part of the rapid in force growth was attributed by Mr. McHaney to a policy of "bringing promising new manpower into our sales organization and expanding our services into additional marketing areas." He said the company established 10 new general agencies in 1954 and a few years ago inaugurated a training program for college graduates. It was designed to develop, a step at a time, career-type general agents and group field specialists. The full course takes seven years for general agents, four for group representatives.

## December Drive Sets Midland Mutual Record

Midland Mutual Life agents produced a record volume of new business during December, putting the company over the top in a special year-end sales campaign honoring President Chester O. Sullivan.

The December results raised the new business total for 1955 to an all-time high, more than \$7 million or 21.7% ahead of the 1954 figure.

### BAD MANAGEMENT

## Texas Board Suspends Licenses of 2 Insurers

The licenses of U.S. Life of Waco and American Atlas Life of Dallas were suspended by the Texas board of commissioners at a meeting in Austin. Neither company is insolvent but the board found their management unsatisfactory.

Charles Ramsey, a department examiner, said that 9,995 of the 10,000 shares of U.S. Life were owned by U.S. Automotive Service, a company owned by A. B. Shoemaker who headed U.S. Trust & Guaranty which has gone under, leading to a board order for an audit of all 1,400 Texas insurers. Mr. Shoemaker, incidentally, made an unsuccessful suicide attempt, though his condition is critical.

An appeal of the suspension was filed by American Atlas Life, and the commissioners obtained a court order restraining company officers from destroying or disposing of any records pending the outcome of the department's charges against management.

The court also served on First National Bank of Dallas an order to freeze any funds that Joseph Irwin, company president, or American Atlas Corp., a holding company, might have in the bank. It has been announced that the stock of American Atlas Corp. has been acquired by First National Bond & Trust Co. of Dallas, which intends to provide new management.

The new wave of insurance scandals in Texas set off by the collapse of the Shoemaker companies does not involve the operations of any life insurers, though they are sympathetic sufferers because of the widespread publicity.

Coincidentally, J. Garland Smith, life commissioner and board chairman, has resigned as chairman and is succeeded by J. Byron Saunders, casualty commissioner. Under a new law, the Texas commissioners are to rotate the chairmanship and Mr. Smith was the first, as senior man, to be named. He resigned with 13 months to go in his term as chairman, saying he was not in agreement with the procedure. He had been chairman since October of 1953, taking over originally under the old law making the life commissioner board chairman. The third commissioner is Mark Wentz, who handles fire matters.

Occidental Life of California issued life insurance totaling \$1 million of initial coverage on Mr. Shoemaker in two policies in the fall of 1954. Both are still in force. They contain the standard suicidal clause, providing that in the event of insured's death by suicide within two years of issue, liability would be limited to and about equal to the premiums actually paid. These premiums totaled \$29,094 and since both policies are less than two years old, the death benefit in the case of Mr. Shoemaker would be limited to this amount. U.S. Trust was the applicant, owner and beneficiary of both policies, which are on a 10-year reducing plan, commonly used in some forms of business life insurance.

The first policy for \$746,500 was issued Sept. 1, 1954, and the second for \$253,500 was issued Oct. 1, 1954. Mr. Shoemaker's insurance age at issue was 59, and both policies were placed through Occidental's Dallas office. He had other policies totaling \$100,000 more than two years old, but they are in favor of his wife, not the companies or creditors.



## SURVEY SHEDS NEW LIGHT:

## How Many Dumped Policy to Buy Fund Shares? How Much Life Coverage Do Share-Buyers Own?

By ROBERT B. MITCHELL

NEW YORK—How many life insurance policyholders cash in their business to buy mutual fund shares?

How much life insurance does a person own before he feels he can afford to put money into buying mutual fund shares?

There have been exasperating incidents involving "twisting" of life insurance into mutual fund shares and persuading persons with obviously insufficient life insurance that they should put money into mutual funds. But nobody had any kind of figures for basing even a wild guess as to how much of either type of activity is actually going on.

Now, however, National Assn. of Investment Companies, the mutual funds' own organization, has come out with the results of a survey based on questionnaires returned by 2,881 mutual fund shareholders of 10 open-end investment companies. Included are figures on how many shareholders cashed in life insurance to make their most recent investment in fund shares and on the amount of life insurance that the typical mutual fund shareholder carries.

Of those buying shares without any formal plan, 1.5% said the source was a cashed-in life insurance policy. Of those buying shares on a periodic accumulation plan, 2% listed a cashed-in policy as the source of the money for the most recent investment.

Since the total number of mutual fund shareholders in both the above categories is estimated at about a million, this would indicate that between 15,000 and 20,000 of current shareholders made their most recent purchase with money obtained through cashing in life insurance.

The median shareholder among those not buying on a period basis owns \$9,235 in life insurance. The median shareholder on the periodic accumulation basis puts \$49 a month into this program and owns \$12,375 of life insurance. The median is used, incidentally, rather than average, as giving more accurate picture, less distorted by the relatively few shareholders owning enormous amounts of life insurance. Thus, the survey indicated that of the million or so mutual fund shareholders half of the non-periodic buyers have less than \$9,235 each in life insurance and half of the periodic buyers have less than \$12,375 each.

Certain allowances have to be made in evaluating the figure of 15,000 to 20,000 shareholders who used cashed-in life insurance to make their most recent mutual fund purchase. It can't safely be regarded as an annual figure without the answers to these questions: (1) How many of the non-periodic investors made their "most recent investment" more than a year before filling in the questionnaire? (2) How many investors—periodic and non-periodic—cashed in life insurance policies to buy shares during the year but not for the most recent such purchase?

It might be found that the two factors just about offset each other, in which case 15,000 to 20,000 would stand as a pretty fair approximation of the number of policyholders per year who drop life insurance so as to buy into mutual funds. To the extent

that one factor outweighs the other, the 15,000-20,000 per year figure would have to be revised up or down. Unluckily National Assn. of Investment Companies hasn't available the data on either of the above two factors.

If the 15,000-20,000 figure is even a rough approximation of the number of policyholders who drop life insurance to buy mutual fund shares each year, it seems disturbingly large. And the actual figure is very likely larger than that because the data are based on the 1954, and mutual fund sales are showing about a 50% increase this year over 1954. Moreover, the big increase is in the accumulation plan sales. It was this group in which 2% of shareholders used life insurance cash values to swing their most recent mutual-fund investment as against 1.5% in the non-periodic investor group.

There is no automatic answer of

course, to the question: "How many of these switches from life insurance to mutual fund shares in the best interest of the policyholder?" Some of these policyholders may have been overloaded with insurance and blessed with other resources, besides. Maybe none of those who dropped insurance to buy shares were in the half of non-periodic account owners who had less than \$9,235 of life insurance or in half of the periodic share accumulators who had less than \$12,375 in insurance.

But even with the most charitable figuring, the question immediately strikes any life insurance man: "What man in his right mind puts \$49 a month into mutual fund shares when he has only \$12,375 in life insurance? In fact, why is he fooling around with any kind of investment plan before he gets his life insurance up to a decent level?"

The same question applies, even more forcefully, to the non-periodic investor buying mutual fund shares when he has only \$9,235 in life insurance.

There is no way of telling how many

(CONTINUED ON PAGE 12)

## H&A Conference to Participate in FTC Trade Conference

The executive committee of Health & Accident Underwriters Conference has approved the advertising rules adopted by National Assn. of Insurance Commissioners at its recent meeting in New York. The vote, conducted by special ballot, was unanimous.

The executive committee also approved by unanimous vote official participation by the conference in the forthcoming trade practices conference called for Feb. 8 in Washington by the federal trade commission. Conference company representatives and staff members will participate in the trade practices meeting.

The business practices committee of the conference had previously approved the NAIC rules. It was the committee's opinion that the rules are substantially the same as the advertising standards approved by the conference at its 1954 annual meeting.

## TRAINED AND EQUIPPED

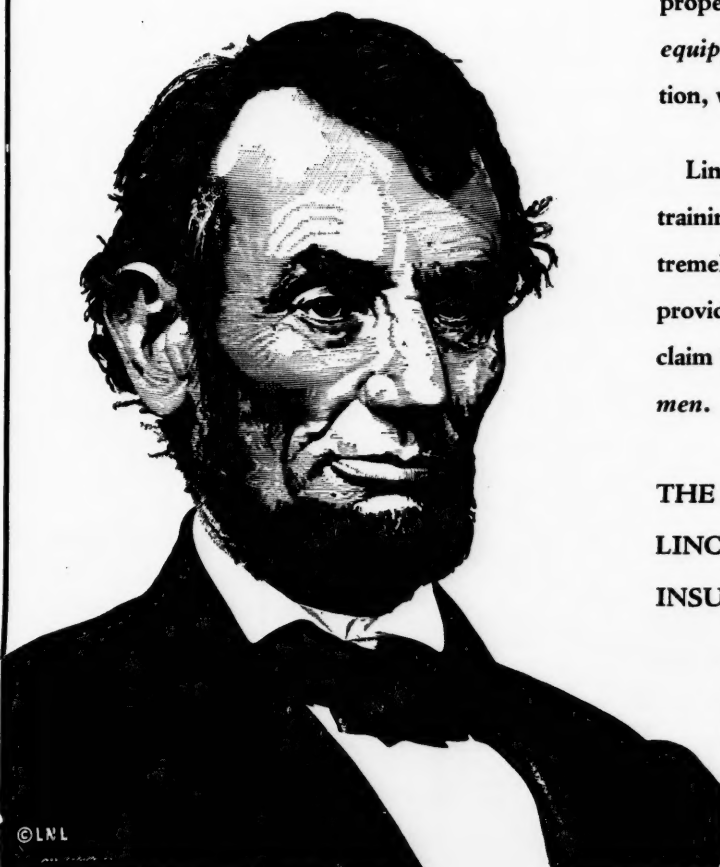
The Lincoln man is *trained* to prescribe properly for his clients' needs, and he's *equipped* to fill his insurance prescription, whatever it may be.

Lincoln National's thorough sales training courses combined with an extremely broad range of insurance plans provide two more reasons for our proud claim that *LNL is geared to help its field men.*

THE  
LINCOLN NATIONAL LIFE  
INSURANCE COMPANY

Fort Wayne, Indiana

*Its Name Indicates Its Character*



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## Tribute to Insurance by Polio-Stricken Life Company Executive Stirrs Audience

Grant L. Hill, vice-president and director of agencies of Northwestern Mutual Life, concluded the two-day eastern regional meeting in New York City with an inspirational message which pinpointed a variety of techniques that can be used again and again because they are "ideas that work."

Mr. Hill played a tape recording made by Willard H. Griffin, superintendent of agencies,



Grant L. Hill

who vividly recalled the peace of mind life insurance gave him when he was stricken seriously with polio a few months ago. The recording, taped by Mr. Griffin in the hospital where he is recovering, made a strong impression on the audience.

Mr. and Mrs. Griffin's third child, a boy, was born early last year and the family had been in their newly-built home barely a month when Mr. Griffin became very ill with bulbar polio in August. As he lay in the hospital, knowing he might not pull through, the young insurance executive found "only one bit of satisfaction" in contemplating the bleak future.

He knew the new house would be

freed completely of all debt as the result of a mortgage policy. The rest of his insurance program would provide a modest living for his family and the children would be assured of an education.

"If this had not been true and there had not been insurance in the picture, the anguish and mental torture which I would have gone through as I thought of the future of my family would have been too much to bear," Mr. Griffin declared.

"It is impossible to describe the peace of mind that this knowledge gave me during the crisis. I had always heard and had always talked about this factor in life insurance, but now that I have experienced it on a sick bed I can appreciate it far more fully than ever before."

Mr. Hill listed among the time-tested "ideas that work" such things as lead letters, short-term trusts for tax purposes and for children, key man insurance on top executives for strengthening credit, insured savings and planned income plans, key man cases on all management personnel, insurance on young doctors, sales to small business men and mortgage policies.

He told how these ideas and others worked for various agents around the country in 1955. He paid tribute to a number of outstanding producers and veterans. A good number of qualified agents must be recruited every year to continue sound growth, he said. He expressed delight at the company's entrance into the classified field.

"Insurance is bought not because someone will die but because someone will live," Mr. Hill said. It brings peace of mind.

## Equitable Makes Four Actuarial Changes

Equitable Society has made these changes in the actuary's department:

Robert P. Coates, associate actuary, and head of the policy forms bureau since 1951, has been appointed to the staff of the senior vice-president and actuary, Walter Klem. Mr. Coates joined Equitable in 1933.

Karl M. Davies, assistant actuary, becomes associate actuary in charge of the policy forms bureau. He has been with Equitable since 1940 except for military service.

Norman Brodie also advances from assistant to associate actuary. He has been placed in charge of the statistical bureau. He joined the company in 1941.

Morton D. Miller, associate actuary, has been given charge of the group insurance actuarial bureau. He has been with Equitable since 1937 and is general chairman of the education and examination committee of Society of Actuaries.

All four men are fellows of the Society of Actuaries.

## Travelers Promotes Four Home Office Men

Travelers has promoted:

Allan C. Rotherham, who joined the company in 1934, from assistant cashier in the securities department to cashier, succeeding Wilbur S. Sherwood who retired Dec. 30.

David M. Hatheway, who joined the company in 1937, from senior claim auditor in the securities department to assistant cashier.

Robert H. Arthur and John T. Wilcox, who joined Travelers in 1947 and 1939 respectively, from executive assistants in the personnel department to assistant secretaries.

## Navarre Approves for Mich. Blue Cross 15% Rate Increase

LANSING, MICH., JAN. 9.—Commissioner Navarre has approved a "compromise" increase of 15% in rates charged by Michigan Hospital Service (Blue Cross), declining to approve the full 23.1% boost asked by Blue Cross management.

Gov. Williams, expressing regret at the need for any increase, immediately announced he would designate a commission to study "the entire question of rates and benefits under prepaid hospital and medical care plans."

The new rate schedule will become effective March 1, Michigan Hospital Service executives said.

The commissioner noted that the Blue Cross petition for approval of a 23.1% increase was filed Nov. 22 and "contemplated rates which would be guaranteed for two years."

"Protests against the increase and requests that it be allowed were addressed to the office of the governor and to me," Mr. Navarre noted. Walter Reuther, United Auto Workers-CIO president, filed the most vigorous protest and persisted in requests that an investigative committee be named by the governor.

"Problems of 'over-utilization,' 'faulty utilization' and 'abuse' have been recognized," the commissioner continued, "as factors producing substantial increases in hospital costs to Blue Cross subscribers. These problems relate to the use of Blue Cross plans by doctors, hospitals and the public."

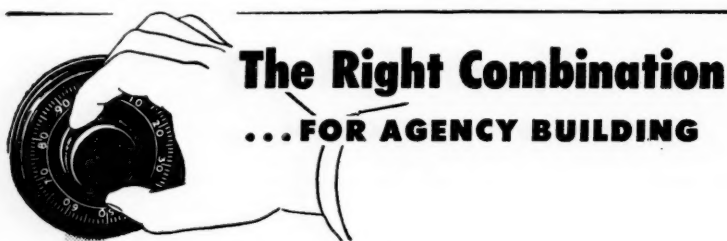
"After careful review, analysis and study of all of the information relating to the petition . . . I disallow the petition of Michigan Hospital Service for a rate increase on that basis (23.1%). In order that the citizens of Michigan who are subscribers . . . be protected under their Blue Cross contracts, I find that an increase in . . . rates is necessary. To protect the solvency of Michigan Hospital Service and its hospital members, a rate increase of 15% is approved. I recommend that the governor appoint a commission to study and survey the problems of voluntary prepaid hospital care as exemplified by Blue Cross . . ."

The governor called the commissioner's order "necessary, though unfortunate" and, in promising to set up a study commission, said "It is obvious that something must be done to check the upward spiral of rates. Otherwise, he explained, 'This form of prepaid hospital service may price itself out of reach of the people who need it most. If that should happen, the demand for public compulsory health insurance will certainly become overwhelming.' He said the make-up of the study commission will include representatives of "all groups interested in the future of prepaid hospital and medical service."

## Jefferson Standard Sales Rise 26% in 1955

Jefferson Standard Life sales in 1955 totaled \$209,130,867, increase 26%, for a new company record.

Insurance in force gained \$127,003,534, reaching \$1,451,444,047. The percentage of net gain also was higher than any previous year.



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## Prudential Promotes E. S. Allsopp, J. E. Day and Kenneth MacKinnon

NEWARK—Prudential has advanced E. S. Allsopp from 2nd vice-president at Jacksonville regional home office to vice-president in charge of a newly created commercial and industrial loan department at the Newark home office; J. Edward Day from associate general solicitor to associate general counsel, and Kenneth MacKinnon from personnel director to executive director of personnel, responsible for personnel functions involving the 8,500 staff members at the Newark home office.

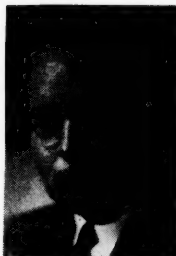
The new department headed by Mr. Allsopp will expand the flow of investment funds into moderate-sized businesses in the United States and Canada, intensifying activities in a field previously handled by other investment departments. It will utilize the company's existing regional networks of field investment offices and staffs. Mr. Allsopp has been with the company 25 years, mostly in mortgage loan posts.

Mr. Day, a former Illinois insurance director, joined the legal staff in 1953 and has been active in the company's proposed variable annuity program. He previously practiced law in Chicago. Mr. Day served as chairman of the midwestern zone of National Assn. of Insurance Commissioners and as vice-chairman of the NAIC life committee.

Mr. MacKinnon joined the company in 1929. He became assistant general manager of the comptroller's division in 1948.

## W. H. King Heads N.Y. City Life Managers

NEW YORK—Wheeler H. King, New England Mutual Life, has been elected president of the New York City Life Managers Assn., succeeding George P. Shoemaker, Provident Mutual Life. Mr. King has served as president of the Life Supervisors Assn., the Mid-Town Managers Assn. and is president of the New England Life's general agents' association.



W. H. King

Arthur L. Sullivan, Fidelity Mutual, was advanced from secretary-treasurer to vice-president and Gerald H. Young was elected secretary-treasurer.

Elected directors were Charles J. Buesing, Mutual of New York; H. G. Henderson, Prudential; Harry Krueger, Northwestern Mutual; James F. MacGrath Jr., United States Life; Thomas L. O'Hara, Metropolitan Life; Benjamin D. Salinger, Mutual Benefit Life; and Louis W. Sechtman, Aetna Life, and Mr. Shoemaker. Elected directors by virtue of their positions as chairmen of standing committees were Irving S. Bober, New England Life, planning committee; Walter W. Canner, Equitable of Iowa, membership committee; M. L. Camps, John Hancock, law and legislation committee, and Arnold Siegel, Union Mutual, business practices committee.

Mr. Shoemaker presented Mr. King an engraved silver banded gavel. Mr. King briefly outlined his plans for the year.

Lloyd T. Jenkins, who joined Great-West Life in 1954, has been named supervisor of the Toronto western branch.

## Top Critic of A&S Industry to Be Head of New Illinois Insurer

John A. Appleman, Urbana, Ill., attorney who a couple of years ago was roundly criticized in many insurance circles for an article he wrote for *Readers Digest* vilifying the A&S industry, is a member of a group that is organizing Professional Casualty Co. at Champaign, Ill.

Mr. Appleman will be president of the new company which eventually will write all lines except life. Initially, the company will concentrate on A&S coverages. Harold J. Craig, former John Hancock agent who now operates an agency at Hammond, Ind., will be secretary; Robert I. Mehr, insurance professor at the University of Illinois, vice-president; Charles M. Peck, also of the University of Illinois, controller, and Arlan McPherson, treasurer. Mr. Mehr intends to continue his university affiliation.

The sale of stock in the new company will be limited to physicians. The securities and exchange commission already has approved the company's filing. There will be a sale of 250,000 \$4 par value shares at \$10 each, to result in capital of \$1 million and surplus of \$1,125,000. The remaining \$375,000 will go for organizational expenses.

Mr. Appleman, a past president of Federation of Insurance Counsel and at one time a legal counsel for the State Farm companies of Bloomington, Ill., has been a severe critic of the A&S business. As early as 1939 articles under his byline appeared in legal journals reproaching the A&S industry. The *Readers Digest* article, as well as a subsequent piece in the *Mississippi Law Journal*, created a stir throughout the A&S business, and the many rebuttals that followed described the articles as completely unfair.

Because of its appearance in a popular publication, the *Readers Digest* article was denounced in a variety of insurance quarters. The article briefly cited some seven cases in which for varying reasons policyholder claims were not paid, generalizing from them what the buyer of A&S insurance might expect. The facts of the cases were scant, making it impossible for the readers to understand fully the circumstances involved. The article pointed out that it was concerned only with the A&S industry, though three of the examples cited involved coverage under double indemnity provisions of life policies. The following is taken from the *Mississippi Law Journal* article: "I propose, briefly, that we put an end to the legal racket which is termed the transaction of a health and accident insurance business."

## W. Va. OKs Backdating if Less Than Six Months

Commissioner Gillooly of West Virginia has issued a regulation permitting backdating of life insurance policies provided it is not for more than six months prior to the date the application is signed by the applicant. The regulation is effective Jan. 28.

Previously the state has forbidden any backdating whatever, though technically there is presently no regulation, as the prior regulation was inadvertently omitted when the department submitted its regulations last summer, as required by law.

The new regulation does not affect

the exchange, alteration, or conversion of policies as of the original date of such policies if the amount of insurance provided under the new policy doesn't exceed that under the old one or the amount of insurance which the premium paid for the original policy would have purchased if the new policy had been originally applied for, whichever is greater. Nor does the regulation prohibit the exercise of any conversion privilege contained in any policy or contract. Even a contract made in violation of the regulation would not be invalidated.

## New Deputy for N. Y. Department

Insurance Superintendent Holz of New York has appointed Aloysius J. Maickel deputy superintendent in the New York City office of the department. A lawyer, he was an attorney with Chase Manhattan Bank.

Donald L. Stevens has been named supervisor of the J. C. Arnold agency of Lincoln National Life at Davenport, Ia. He has two years' experience.



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## Kentucky Governor Tells Solons to Probe Insurance

LOUISVILLE—An investigation of insurance was recommended by Gov. Chandler of Kentucky in an address opening the 1956 session of the state legislature.

In connection with insurance, Mr. Chandler said, "I am alarmed by the reports in the public press to the effect that certain companies licensed in Kentucky to sell insurance other than life have failed, causing great loss to Kentucky insurers and Kentucky agents."

"Litigation in other states, as reported in the public press, causes me to recommend to you that the affairs of the insurance department be investigated by you and that you report your findings to the general assembly and the governor."

Gov. Chandler has had a close association with insurance. More than 20 years ago when he was lieutenant governor he served as receiver for the old Inter Southern Life which later became Kentucky Home Mutual Life. Last fall upon being elected governor he resigned as vice-president of a life company in South Carolina.

One of his first acts as governor was to name an experienced insurance man to head the state insurance department. The new commissioner, Cad P. Thurman, is a veteran field man for Continental Fire of the America Fore group. Mr. Thurman served a previous term as insurance commissioner several years ago.

Mr. Thurman has been in close touch with the problems that developed

about a year ago when the defunct Louisville Fire & Marine was turned over to Inland Empire of Salt Lake City, which now is in receivership.

There were many persons in Kentucky with Louisville F.&M. policies which were rewritten by Inland Empire. They now face but little prospects of collecting anything on claims. Agents throughout the state, as well as adjustment concerns, rating bureaus and companies, are being deluged with inquiries from policyholders of the defunct companies, asking for information on what to do in connection with unpaid losses.

## Mutual Benefit Dallas Agency Sets Sales Mark

The Dallas agency of Mutual Benefit Life has established a new record for first-year agencies by paying for \$5.7 million of life insurance during a 12-month period.

The agency, which had a quota of \$1 million, by the end of 1955 had moved from last position to 23rd among the company's 74 agencies. The agency grew to include nine full-time agents, six of them among the top 25% of the sales force.

General agent is August C. Hansch, who qualified for Million Dollar Round Table. He joined the company at Chicago and went to the home office in 1947, becoming director of sales services three years later. He was director of agency personnel in charge of recruiting and selection of new agents before going to Dallas a year ago.

## New Commonwealth Director

David P. Reynolds, sales vice-president of Reynolds Metals Co., has been elected to the board of Commonwealth Life. In 1954 Mr. Reynolds was chosen as "Man of the Year" in the aluminum industry.

## Union Central Hits Sales High in 1955

Union Central Life wrote \$313,689,728 life insurance in 1955, its second consecutive record-shattering year.

About the two months before the end of 1955 the company achieved its year-end goal of \$2 billion of life insurance in force and then went on to exceed this target by almost \$67 million.

In addition, December was the biggest production month in company history, sales amounting to \$48,230,575 bringing the total gain over 1954, the previous record year, to about \$35 million.

A completely new rate book was introduced at the first of the year, including several new policies and new features increasing the flexibility of already existing contracts. A great deal of the sales promotion brochures, illustration sheets and folders have been revised.

## SEC to Hold Hearing on Variable Annuity

WASHINGTON—Securities and exchange commission, which has been studying the operations of Variable Annuity Life of Washington, D.C., so as to decide whether it is something that the SEC has jurisdiction over, has tentatively decided to hold a public hearing on the entire variable annuity question.

Indications are that this decision is based on the conclusion that consideration of the matter should be broader than a mere investigation of the new District of Columbia insurer and whether its policy should come under the federal securities laws.

While no date has been set for the proposed hearing, those in touch with the situation believe that in addition to the District of Columbia company, others interested will be notified and be afforded opportunity to appear, including Prudential, State Mutual, which has had a variable annuity bill introduced in Massachusetts, also Metropolitan Life, Massachusetts Mutual, National Assn. of Securities Dealers, National Assn. of Investment Companies and Investment Bankers Assn.—all of which are opposed to variable annuities.

## Home Life Names Frank at New Chicago Agency

Home Life of New York has opened its third agency in Chicago with Irwin A. Frank as manager. The office is at 140 South Dearborn street.



Irwin A. Frank

He was named assistant manager in New York City in 1952.

## On Bankers National Board

Harold L. Ryan, a vice-president of New Jersey Bell Telephone Co., has been elected to the board of Bankers National Life. He is also on the board of New Jersey Blue Cross.

## Fete J. H. Kull for 50 Years with Phoenix Mutual

John H. Kull, who went to work for Phoenix Mutual Life in 1906 when he was 16, was honored on his 50th anniversary with the company at a testimonial luncheon attended by home office executives and agency associates in the Hotel Lexington, New York City.

Mr. Kull, who is with the New York City agency managed by Samuel P. Davis, was presented a watch by President Benjamin L. Holland. Toastmaster was Col. D. Gordon Hunter, recently retired vice-president and agency manager after 40 years' service, and now chairman of the agency committee of the board.

Mr. Holland thanked Mr. Kull for the "tremendous" part he played in building the company. Col. Hunter listed some highlights of Mr. Kull's career and awarded him the company's first "consecutive monthly premium life member" pin for 150 months. A resolution from company officers and fellow members of the Lincoln agency, lauding him on his 50th anniversary, was presented.

Benjamin Wright, with the company in New York City for 26 years, presented Mr. Kull a radio on behalf of agency associates. Mrs. Angie Dixon, secretary to Mr. Davis, presented a gift from the office staff. George Baronian, office manager, also presented a gift.

Mr. Davis, who turned over to Mr. Kull a number of congratulatory messages, termed him "one of the finest men in American life insurance," and said he has "contributed tremendously" to the agency.

Guests who paid tribute to Mr. Kull included James Anwyl, retired manager, Buffalo; M. R. Perry, agency secretary and former supervisor in New York; Robert MacGregor, manager of publications; L. O. Boudreau, New York City; J. R. Montgomery, Philadelphia, and George Vrionis, New York City. Albert Hirst, prominent New York City insurance lawyer, read a letter of congratulations. Samuel Marion, who bought a policy from Mr. Kull in 1915 and is his oldest policyholder, also spoke.

Mr. Kull, whose entire career has been in New York City, was named assistant manager in 1924, manager of the former Columbus Circle branch in 1929 and associate manager of Lincoln branch in 1934. He recalled that many of today's policies and sales aids had not been developed when he entered the business.

He noted that the business, hard work in the early days, has grown greatly. Life insurance offers a "grand opportunity" to serve, he said, and pointed out that 72% of the claims paid last year went to living policyholders. He cited a number of his own annuity cases, stressing the protection that is provided.

Service to clients is the "number one requirement" for agents, Mr. Kull declared. He advised the new men to make wise use of their time because it is "precious" and to take advantage of the company's plans because "they work." He termed the testimonial a "high point" in his career and expressed his appreciation for the tribute.

Union Labor Life has been licensed for life and A&S in California and Florida. The company is licensed in 20 states and the District of Columbia.

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## Granum's 'Around the Wheel' Plan Provides Step-by-Step System for Obtaining Clients

Because "we serve best by selling best," the bulk of the agent's attention should be given to the selling techniques, O. Alfred Granum, assistant director of agencies, declared at Northwestern Mutual Life's eastern regional meeting in New York City.



O. Alfred Granum

Mr. Granum described the selling procedure with the aid of a display called "The Wheel of Client Acquisition through Practical Planning." It looked like a pie cut into eight sections, each representing a step of the procedure.

He termed the first step "wide-scale prospecting." This should cover those who meet the "visible characteristics" of good prospects and those who meet the "invisible characteristics." After admitting the person to the wide "outer circle" which makes him a prospect, the pre-approach follows.

In the pre-approach, or second step, almost no one objects to discussing life insurance with an agent, Mr. Granum observed. On the average, if the agent sends one or two mailings to the prospect, follows with a pre-approach letter and then makes a telephone call, he will get in one out of five times on non-referred leads and one out of two times on referred leads. It does not seem to matter whether the preapproach letter is a long and complex communication or one of just a few lines, according to reports from the field.

If the prospect is found to be worth following up, the third step, the approach, is made. Here, Mr. Granum said, the best sample to display is the agent's own insurance program. And the agent should have a good program worth presenting. If the prospect already has done a good insurance job for his family, the agent should congratulate him and advise him to do an equally good job for himself. A savings plan is a good suggestion.

Unless the prospect's case is a complicated one of estate conservation, the fact-finding interview should be kept brief. This is the fourth step and may be taken with the fifth, solving the problem, because most of the cases in Mr. Granum's discussion were simple estate accumulations of young men. He urged agents to remember names mentioned during the interview as sources of referred leads.

The average man fears being tied to another long term commitment. Because this is an important objection to be overcome, it explains the success of the savings idea. Here, a standardized presentation is a good thing. The review and handling of the prospect's old policies can take up a lot of time while the problem is being solved. In complicated cases, this can be done at the office.

Most agents are reluctant to conduct the closing interview, the sixth step, without the wife's presence. The agent should point out the prospect's needs, as illustrated in the presentation, and explain how life insurance will meet them. A good motivating technique, such as a strong story or illustration, is helpful at this point.

If, however, the man just will not buy anything, he lacks the "subjective quality" that will make him a good client, Mr. Granum said.

It is good sense to program clients, but not such good sense to program prospects, he said, referring to the seventh step post-sale service and expectations. It is better for the agent to spend his time programming clients because they are more profitable.

"The Wheel of Client Acquisition" began with wide-scale prospecting and ended with "refined prospecting," Mr. Granum pointed out. Agents must ask for referred leads even though they may be hesitant to do so. But if the client has been taken all the way around the wheel, the agent has "earned the right to ask for leads."

The agent serves two classes of people, his prospects and his clients. He serves a prospect by selling him the idea of a long range sound financial plan and by getting him to take action. When the prospect becomes a client, the agent best serves him by encouraging him to grow to the limit of his ability, following with interest the progress he makes, and helping him complete his financial plan, Mr. Granum concluded.

## Mutual of N. Y. Names Five to Training Staff

Mutual of New York has appointed James C. Anderson, Leo H. Evart, Paul R. Johnson, John F. Schmitt and Edward L. Schnee to the field training staff at the home office.

Mr. Anderson, who has been district manager in Alberta, Canada, since last July, entered the business in 1947. He joined Mutual in Vancouver in 1952 and was advanced to assistant manager.

Mr. Evart entered the business with

Mutual in 1950 and was promoted to assistant manager at San Francisco in 1952.

Mr. Johnson started as a cashier trainee at Cleveland in 1947 and was advanced to assistant cashier and transferred to New Orleans two years later. He became an agent in Dayton, Ohio, in 1953 and was promoted to assistant manager in 1954.

Mr. Schmitt joined the company in Cleveland in 1945 and was named assistant manager in 1955. He is a CLU.

Mr. Schnee joined the company at Wichita in 1950 and was advanced to assistant manager two years later.

## Jefferson Nat'l Raises Three at Home Office

Several home office promotions have been made by Jefferson National Life.

Miss M. F. Latz was named vice-president and secretary. Miss Latz has been secretary since the company was organized in 1937.

John R. Ray, long with Jefferson National, was advanced to agency vice-president.

E. Kirk McKinney Jr. becomes vice-president and treasurer. He has been treasurer for several years.

## Bayley, Schultz, Stuewe Raised by Unity L.&A.

Unity Life & Accident has named L. J. Bayley as vice-president, Fred A. Schultz as assistant secretary and Edward J. Stuewe as assistant treasurer. Russell Wright, Watertown, N.Y., attorney, has been named to the board.

Mr. Bayley, with Unity L. & A. since 1926, will serve as vice-president and secretary. Mr. Schultz has been with the company since 1932. He is a vice-president and board member of National Office Management Assn. Mr. Stuewe, who also will serve as controller, joined Unity in 1945 after many previous years in accounting work.

## Mutual, N. Y., Ordinary Sales up 26.2% in 1955

Mutual of New York individual ordinary life sales in 1955 totaled \$516,788,000, increase 26.2% for a new high in company history.

A record 80,595 policies were issued in 1955, increase 4,100. Average policy size reached a new high of \$6,412, up \$1,059.

Aggregate premiums from "module" employee benefit plans and other group lines amounted to \$1,663,000, increase 77%. Individual A&S policies issued totaled 13,653, increase 1,187.

The eastern region led the company in all three lines of coverage. The Myer agency in New York City led in individual ordinary life sales with \$18,708,000, increase \$3,273,000.

Other leading agencies in ordinary sales were the Hodgkinson agency in San Diego with \$10,699,000, the Lake agency in New Orleans with \$10,653,000 and the Moats agency in Chicago with \$10,562,000.

The Sumner agency in Toronto, the Holliday agency in Vancouver and the Benton agency in Winnipeg ranked in that order in number of A&S policies issued.

The Frey agency in Erie, the Meehan agency in Boston, the Wurster agency in Philadelphia and the Mallard agency in Jackson led in that order in greatest amount of premium income from "module" and other group sales.

## Washington Estate Planners' Day

Washington, D.C., Life Insurance & Trust Council will hold an "estate planners' day" Feb. 27 at Statler hotel. Chester R. Jones, general agent of Massachusetts Mutual Life, is general chairman. Committee chairmen are Howard J. Riordan, manager of Continental Assurance, arrangements; Charles F. Suter, general agent of Massachusetts Indemnity, publicity and bulletins; and James H. Benner, Massachusetts Mutual Life, tickets.

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IT PAYS TO BE WITH A COMPANY THAT IS "GOING PLACES."

### McAlexander Successor

## Claim Assn. Honors Templeman After 47 Years as Treasurer

F. L. Templeman, who has retired as manager of the A&S department of Maryland Casualty and as treasurer of International Claim Assn., was honored by the executive committee of the association at a meeting in Kansas City.

Mr. Templeman joined Maryland Casualty in 1899 and has spent his entire career with the company. He was elected treasurer of ICA in 1909, the year it was formed, and has been

reelected annually ever since. He also has been a member of the executive committee.

In a ceremony marking Mr. Templeman's retirement as treasurer, Louis L. Graham, vice-president of Business Men's Assurance and secretary of the association, presented him with a silver service on behalf of the association. Mr. Graham cited Mr. Templeman's contributions to the development of A&S policies and to the growth of the association.

John McAlexander, 2nd vice-president and claims manager of Bankers National Life, was chosen to fill out the remainder of Mr. Templeman's term as treasurer and executive committee member.

## Pacific National Names Five General Agents

Pacific National Life has appointed as general agents Howard H. Gillingham and Raymond Ashford at Los Angeles, W. W. McCain at Sacramento, Cal., Milo J. Ullstad at Beverly Hills, Cal., and Cyril A. Mueller at Grand Junction, Colo.



H. R. Gillingham

last September. A life insurance veteran, Mr. Gillingham has served as associate manager of Lincoln National at Los Angeles, assistant manager of the White agency of Prudential at Los Angeles and as general agent for Guaranty Union Life of Beverly Hills.

Mr. Ashford will have offices at 3757 Wilshire boulevard. He is associated with John W. Sherman, agency manager. Before joining the company he had wide experience in general insurance and also had been with Bank of America in Los Angeles.

Mr. McCain formerly was with Security Life & Accident as Sacramento

## Stress Creative Sales Ideas at Convention of Security Mutual

"Creative Ideas in Selling" was the theme of the national convention of Security Mutual Life of Binghamton attended by 200 leading producers and guests at Belleair, Fla.



N. T. Carson

The company is searching constantly for new ideas, said Norman T. Carson, agency vice-president, in his keynote speech. He illustrated how creative thinking can be used to inject new interests into what has come to be accepted as commonplace. Among new sales ideas which have been inspired by situations are "split-dollar" plans for employers and employees and advances brought about by new tax laws.

The company in the past year has introduced new ideas which have given greater flexibility to its products and broadened the market, Mr. Carson said. Among the improvements he listed the new 20-year increasing term rider, juvenile changes, term-on-term, and the new non-cancellable A&H extended income protector.

Guest speaker was Charles J. Zimmerman, managing director of LIAMA, who forecast changes in the business that will bring greater opportunities than ever before.

Trophies were presented to leading agents and agencies for 1955. Leading club producers were Irwin M. Flaster, Newark, Franklin E. Ahrens and Kenneth W. Whiting, Buffalo. Leading general agents, by divisions, were Harold D. Farber, Buffalo, J. Harold Kay, Miami Beach, Milton R. Pollard, Milwaukee, and Harold I. Berson, Cleveland.

There were four panel sessions and four seminars.

## 1955 Best Sales Year for Equitable Life, Iowa

Equitable Life of Iowa registered its best year in 1955 with new paid business of \$140,589,044, an increase of 8.7%. Life insurance in force at year end stood at \$1,428,226,264.

The Seattle agency headed by Hugh S. Bell was the leading agency for the year.

## Carmen, Gurke Promoted

Joseph G. Carmen, former associate manager of the Maturin B. Bay Associates Agency of Prudential at Chicago, has been appointed training consultant in the Chicago regional home office. Robert D. Gurke has been promoted to division manager in the Bay agency.

Mr. Carmen joined Prudential in 1943 as a producer, becoming assistant manager in 1950 and associate manager the following year. He was trustee of Chicago Assn. of Life Underwriters from 1951 to 1953.

Mr. Gurke joined the Bay agency in 1954.

## Hartford Managers Elect Cope

Hartford General Agents & Managers Assn. has elected J. Arthur Cope, general agent of Berkshire Life, president; Edwin H. May, Phoenix Mutual Life, vice-president; Andrew Cronin, John Hancock, secretary; Ben Goldenberg, Columbian National Life, and John E. Fay, Guardian Life, directors.

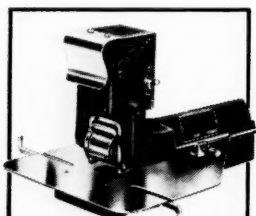
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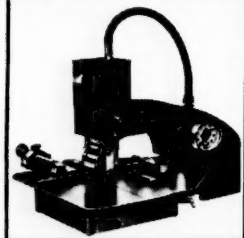
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Model 49  
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**Old Republic**  
Life Insurance Company

Chicago 1, Illinois

## Lutheran Mutual Boasts '56 Dividend Scale 9%

Lutheran Mutual Life has increased dividends on currently issued policies an average of 9%. The increase on prior issues ranges up to 9%. Generally, the increase is greater at the younger attained ages.

The rate of interest on policy proceeds left with the company has been raised to 3%, and the new rate applies to all policies under which the guaranteed rate had been less. The interest rate on advanced premiums deposited has been boosted to 2½%.

## Set 1956 Convention Date

The 1956 convention of the Texas A&H Claims & Underwriters Assn. will be held in San Antonio, June 1-2. Earnest Severin of Time Life of San Antonio, association vice-president, will be program director.

R. B. Donovan, United American, association president reported the association now has a membership of more than 400 persons, with chapters in Dallas, Houston, San Antonio and Austin.



## Conn. Mutual Sales Up 20% in 1955

Connecticut Mutual Life set a new record for production in 1955 when paid-for insurance totaled \$403,620,000, up \$67 million or 20%.

Insurance in force rose by a record \$257,871,282 to a new high of \$3,123,345,685. The \$3 billion mark was passed in July.

The best six monthly production records in history were set in 1955. The December total of \$38 million was second only to the \$38.6 million all-time peak set in March.

The record 1955 new business figures are for ordinary life only, and do not include \$14 million in new decreasing term, \$1.8 million in new paid-up additions, or \$17 million in annuities.

Sixty-five of the 80 general agencies made gains for the year.

## John Hancock Names Deston to New Post of Western Area V-P

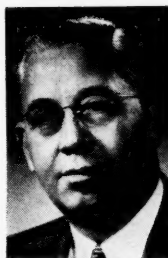
John Hancock has appointed Raymond Deston, general agent since 1948

in San Francisco, to the new post of western vice-president, effective Feb. 15.

Mr. Deston, with headquarters in San Francisco, will be responsible for sales and service operations in California, Washington, Oregon, Idaho, Nevada, Utah and Arizona. He will serve as adviser to the district agency regional manager, the general agency superintendent of agencies, the area group manager, claim, underwriting, medical, bureau of investigation and finance department representatives.

With business constantly increasing in the western area, the company has come to realize the desirability of a closer coordination of all activities in the territory, according to President Paul F. Clark.

Mr. Deston, who joined the company in Boston in 1933, was president of San Francisco Assn. of Life Underwriters in 1951-52 and is an executive committeeman for the northern district of California State Assn. of Life Underwriters. He is a CLU.



Raymond Deston

business for the American General companies, including Union National, was \$87 million in 1955 and is expected to exceed \$100 million next year.

American General Life, which has been operating only in Texas, Jan. 1 entered 13 additional states.

## Union Life Promotes Two

Union Life of Richmond has promoted J. Edward Lawler from vice-president to vice-president and counsel and Irving H. Wainwright from assistant secretary to vice-president and comptroller.

## Lincoln National Hits 4 Peaks in '55; Sales \$1.35 Billion

Lincoln National Life set all-time highs during 1955 in new paid business, assets, benefit payments and in total amount of insurance in force.

Life insurance issued totaled more than \$1.5 billion, with assets reaching more than \$1.12 billion. Insurance in force now is in excess of \$7.43 billion. Benefit payments exceeded \$85 million.

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THE FARM & HOME INSURANCE COMPANY, a stock legal reserve company admitted to do business in Indiana and Illinois, announces its expansion plans. Sponsors of The Farmers' Plan and The Home Protection Plan. Non-cancellable, guaranteed renewable; no termination age; no-confining benefits; no waiting periods; and special provisions for pre-existing coverage. Income disability and hospital-medical-surgical policies.

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## American General Buys Union National of Neb.

American General Ins. Co. of Texas has acquired controlling interest in Union National Life of Nebraska. There are no present plans for merging the companies. Union National will continue to operate under its present management from the Lincoln headquarters.

Benjamin N. Woodson, president of American General Life, will travel to Lincoln frequently and give executive direction to Union National, and he and Gus S. Wortham, president of American General Ins. Co., will become directors of Union National. William E. Barkley is president of the latter company, Ray D. Cannell is agency vice-president and George Milne, vice-president and agency superintendent.

No announcement was made of the terms of purchase of the 25-year-old Lincoln company, but it is understood that the transaction was effected by an exchange of stock and therefore is subject to ratification of American General stockholders at a meeting called for the latter part of this week. It is understood that American General will thereafter offer the same terms of purchase to Union National's minority stockholders not involved in the original transaction.

American General acquired more than 98% of the stock of American Reserve Life of Omaha some 14 months ago and now is in process of completing merger of that company into the Houston company. It is expected this will be completed within the next few weeks, after which American General Life will have insurance in force of nearly \$320 million. The aggregate in force figure of American General and Union National will be about \$486 million, and it is anticipated the companies will cross the half-billion-dollar mark within the next three or four months. Total new

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## SECURITY AND SERVICE

Boston Mutual is constantly reviewing policyholder programs to make sure they meet with changing family needs.

## EDITORIAL COMMENT

### Premium Gradation by Size Is Now Here

Companion Life of New York has started issuing policies with rates graded in four categories of face amounts. It is the first company to avail itself of the ruling given by the New York department permitting premium gradation solely on the basis of size of policy.

This could well be considered an important milestone in the business—particularly when you consider where this principle may lead. Vice-president Robert E. Dineen of Northwestern Mutual hinted at what might be ahead when he spoke in behalf of the idea at the recent meeting of the National Assn. of Insurance Commissioners. He indicated that it might not be more than a couple of years before the NAIC would be asked not whether companies ought to be permitted to grade premium rates by policy size but whether they ought not to be compelled to do so.

The idea of grading premiums by policy amount, particularly as exemplified in the so-called "special" policies, has been attacked and defended almost as vigorously as that other shining target, the variable annuity.

The major objection advanced against grading premiums by size of risk is that it gives the big buyer a better price than the small buyer. This, it is argued, can have bad repercussions from a public relations standpoint.

It seems clear, though, that if premium gradation is soundly supported by facts and figures—as it has to be to get the approval of the New York insurance department—the matter boils down to one of convincing the public that there is no discrimination whatever against the buyer of the \$1,000 policy. After all, life insurance may be fraught with a public interest but it is not an eleemosynary institution. There is no reason why the small policy should have a free or partially free ride at the expense of the larger policies.

The real consideration is providing reasonable equity to all policyholders while not trying to carry equity to such ridiculous extremes that it increases the over-all costs to the point where they outweigh any tangible benefits that might result to the policyholders. For perfect equity it would be necessary to have a different rate for each policyholder, reflecting the precise measure of hazard that he represents. It would also be necessary to have alterable cash values to reflect the state of the policyholder's health at the time he surrenders his contract

—the policyholder who is at death's door should obviously receive a higher surrender value than the fellow in perfect health.

There always has been and there always will be the necessity for sensible compromise between inadequate differentiation and overly finicky differentiation that costs more than it is worth. Modern electronic machines tend to make practicable a finer degree of differentiation than was feasible before. As the business progresses in developing techniques based on electronic data processing machines it is reasonable to suppose that degrees of equity not heretofore practicable will become commonplace.

If this happens, Mr. Dineen's observation about premium gradation being made compulsory may be a reality sooner than most people in the business presently believe.

## PERSONALS

**Sidney Salomon Jr.**, million dollar life producer associated with the Salomon-Hannegan-Portnoy & Associates agency at St. Louis, was a member of the group that bought the franchise of the Syracuse baseball club of the International League. Steps have been taken to transfer operation of the club to Miami. His associates in the purchase were Elliot Stein of St. Louis and Bill Veeck, former owner of the St. Louis Browns and Cleveland Indians of the American League. Mr. Salomon, whose winter home is in Miami, is a former director of the St. Louis Cardinals of the National League, and later was executive vice-president of the St. Louis Browns, now located in Baltimore.

President **Richard B. Evans** of Colonial Life and **Mayor W. M. McConnell** of East Orange were interviewed on Port of New York Authority's weekly radio program. Mr. Evans told how the company selected East Orange as the site of its home office in 1948. Since then, 10 other companies have built or occupied buildings in the city, which is becoming an important insurance center.

**Harry M. Comins**, from 1923 until 1951 general agent at Flint, Mich., for Massachusetts Mutual Life, was listed with Mrs. Comins as joining the sponsors of the Flint College and Cultural Development with a \$25,000 contribution. The development, which will embrace a four-year college program, has a \$50,167,000 goal to which many prominent and affluent citizens and business organizations have subscribed.

Mr. Comins is a past president of Michigan Life Underwriters Assn. and has headed several local insurance groups.

**Miss Era Emmons**, publications editor of Life & Casualty of Tennessee, has been elected president of Middle Tennessee Business Press club.

**Peter R. Gravengaard**, son of Vice-president H. P. Gravengaard of the National Underwriter



P. R. Gravengaard

Co., has been released from active duty as a 1st lieutenant in the air force and this week rejoined John Hancock's group department at its Washington, D.C., office. Peter Gravengaard originally went with John Hancock in 1950 and until he went into the air force later that year, he was assigned to the Cincinnati office. In the air force he served mainly at Japanese bases. He was made a 1st lieutenant in July, 1953.

**Harold J. Cummings**, president of Minnesota Mutual Life has been named chairman of the preliminary gifts committee for the \$5 million building fund campaign for St. Joseph's hospital, St. Paul.

**Maj. Gen. Otto L. Nelson Jr.**, USA, retired, vice-president of New York Life, has been named special consultant in non-military defense affairs to Director of Defense Mobilization Fleming.

**Clarence J. Myers**, president of New York Life, was the subject of a profile piece in a recent issue of *Advance*, magazine of the National Congregational Christian Church. His photograph was on the front cover.

## DEATHS

**E. MILLER FRANCE**, 89, general agent emeritus of State Mutual Life at Cleveland, died at his home in Cleveland. Mr. France was general agent from 1905 to 1934. He continued to write business after his retirement, leading the company during one month in ordinary paid-for business in his 85th and 88th years.

**THOMAS B. FULMER**, 78, who had been with Travelers in Indianapolis, Columbus, and Cleveland, died in White Cross hospital at Columbus. He had not been in good health for several years. At one time Mr. Fulmer was head of the life department of Travelers at Columbus. Two sons are in the insurance business, Dan D. Fulmer at Columbus, and Frederick Fulmer, who is with Travelers at Wilmington, Del.

**MRS. KATHRYN A. CARTWRIGHT**, 83, widow of the late Charles M., who was editor of THE NATIONAL UNDERWRITER, for 50 years, died at her home in Evanston, Ill. Mrs. Cartwright was

exceptionally active in civic affairs and was well known to the insurance fraternity, often accompanying Mr. Cartwright to important insurance conventions. Her son, Levering, was executive editor of THE NATIONAL UNDERWRITER and now maintains his own offices in the Board of Trade building Chicago.

**DONALD CLARK**, who retired in 1940 as general agent of Mutual Benefit Life in Detroit, died in Columbia, S. C., where he resided. He and A. S. Johnston operated the Johnston & Clark agency for many years. Mr. Clark brought into the business H. Bruce Palmer, now president of the company.

**FORREST L. MORTON**, 64, died at Tarpon Springs, Fla., following a long illness. He was an expert on taxation and for some years headed a unit at the New York Life home office that helped agents with complex cases. Prior to his death he had been an agent of Gulf Life. He also wrote a monthly article on taxation for the *Spectator* magazine.

**RALPH K. DUNN**, vice-president of Security Life & Accident died in St. Joseph's hospital at Denver. He was 68. He had suffered a heart attack in 1954. Joining the company in 1928 as its first employee, Mr. Dunn became vice-president in 1953.

**CONRAD P. FREY**, 78, Norwalk, Conn. agent, died after a sudden illness. He was general agent for Connecticut General Life for many years, later continuing as an agent for several life and fire companies.

**DR. MORTON M. SNOW**, 79, medical director of Massachusetts Mutual Life from 1917 to 1948, died. He joined the company as medical referee in 1908.

### Fidelity, Ill., Starts Plans for 60th Anniversary

Fidelity Life of Fulton, Ill. is formulating plans for a week-long observance of its 60th anniversary, starting Feb. 20.

Highlights will include an open house Wednesday and an agents' day Friday, the actual anniversary date. Agents from most of the 16 states in which the company operates will assemble at the home office.

Formerly a fraternal organization, Fidelity Life became a mutual legal reserve company in 1952. It has approximately \$77 million of insurance in force.

### Ohio National in Force Reaches ¾ Billion Mark

Ohio National Life's insurance in force reached the three-quarter billion dollar mark on Dec. 30, 1955. The company's size has increased more than 50% the past four years.

### Phoenix Mutual Appoints Adams

Phoenix Mutual Life has appointed Welles V. Adams manager of the Hartford field mortgage office. Mr. Adams joined the mortgage loan division in 1947 and was named supervisor in the field mortgage office in 1951.

#### THE NATIONAL UNDERWRITER

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Assistant Editors: John B. Lawrence, Jr.  
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## Cotton States Mutual Forms Life Insurer

Cotton States Life & Health Insurance Co., a new companion company to serve policyholders of Cotton States Mutual, has been organized in Atlanta.

The new company has received its license to do business in Georgia. It will have headquarters with the parent organization at 300 Ivy street. Organized as a legal reserve, capital stock life company, the organization will offer all forms of life cover through the present 200 agents of Cotton States Mutual.

Officers of Cotton States Life are D. W. Brooks, president; C. B. FunderBunk, executive vice-president and secretary; H. L. Wingate and Floyd H. Tabor, vice-presidents; L. R. Lassiter, treasurer, and Edward R. Hungate, sales and agencies director.

## Contract Let for New Mutual Benefit Office

Mutual Benefit Life has selected George A. Fuller Co. to construct its 20-story home office building on Broad street in downtown Newark. The building will cost more than \$10 million and is scheduled for completion the summer of 1957.

Steelwork for the building is expected to begin in February and the framework is to be completed in 17 weeks. When six floors of steel frames have been completed, concrete can be poured for the lower floors and other phases of construction work will start while the upper floor steel framework is being completed.

## Wellbrock Heads Peoria Agency of Bankers, Neb.

Richard L. Wellbrock, formerly an agent of Massachusetts Mutual Life at Peoria, has been appointed general agent there for Bankers Life of Nebraska. Before entering insurance about three years ago Mr. Wellbrock had experience in sales management outside the insurance field.



R. L. Wellbrock

## Mutual Benefit Names McMullen at Des Moines

Mutual Benefit Life has opened a general agency in Des Moines with Daniel P. McMullen general agent.

The new agency will serve western and central Iowa and nearby counties in Nebraska and South Dakota.

Mr. McMullen entered the business with Union Mutual Life at Portland, Me., and went to Travelers as a field supervisor in 1953. He joined Mutual Benefit as agency supervisor at Portland in 1955.



**FIRST VARIABLE ANNUITY POLICY** to be issued to a member of the general public goes to Donald Dawson, right, prominent Washington, D. C., attorney and one of former President Truman's advisers. Congratulating Mr. Dawson is George E. Johnson, president of Variable Annuity Life of Washington, the only company thus far authorized to sell variable annuities to the general public.

## Mutual Benefit Honors Hughes on Retirement

Frank G. Hughes, who has retired after 23 years as general agent of Mutual Benefit Life in Milwaukee and 42 years with the company, was honored at a luncheon at the home office.

President H. Bruce Palmer presented Mr. Hughes a watch and a portfolio of testimonial letters written by all company officers. Charles G. Heitzberg, 2nd vice-president and director of agencies, was toastmaster.

Mr. Hughes had been with the company longer than any other general agent now active.

## Fidelity Mutual Names Two GAs at Louisville

Fidelity Mutual Life has appointed Oreon R. Walker and Weldon Pickett general agents at Louisville. Their partnership succeeds John H. Pickett, who has retired after 20 years as general agent.

Mr. Walker has been at Louisville since 1933 and agency supervisor since 1938.

Mr. Pickett, son of the retired general agent, joined the agency in 1935 and has been agency supervisor since 1951. He will continue to give most of his attention to the Campbellsville area.

## N.Y. CLU's Meet Jan. 18

Arnold La Force, 2nd vice-president Metropolitan life, will speak on "The Investment Impact of Variable Annuities" at the luncheon meeting of the New York City CLU chapter Jan. 18 at Hotel Martinique.

## Rogan Plans Larger Wisconsin Department

A reorganization and enlargement of the Wisconsin insurance department to provide closer supervision and regulation of A&S and casualty lines is planned by Paul Rogan, new commissioner.

Mr. Rogan said he hopes to expand his present staff of 78 employees to 100 or more to bring into service the technicians needed to expand A&S and disability bureaus to the strength now enjoyed by life and fire examination staffs.

The A&S business, still rapidly expanding in Wisconsin, reached a premium income of about \$81 million in the state in 1954.

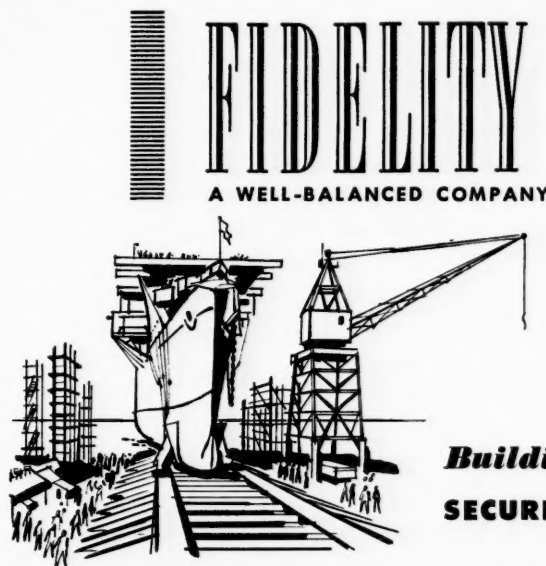
The new commissioner has signed approvals for admission into Wisconsin of American United Life, Bankers National Life, and Federal Life & Casualty.

## Fidelity Mutual Sales Increase 14% in 1955

Fidelity Mutual Life sales totaled \$104 million in 1955, up 14%. Insurance in force rose to \$930 million at the year's end. The company has set its sights on reaching the \$1 billion in force mark in 1956.

## Mutual Service Tops \$100 Million in Force

ST. PAUL—Mutual Service Life has passed the \$100 million in force mark, just three years after attaining its first \$50 million in force. Mutual Service casualty, the company's running mate, is operated by the same management. The companies write a full multiple line of life, fire and casualty and have combined assets of about \$22 million.



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## Survey Sheds Light on Insurance vs Fund Shares

(CONTINUED FROM PAGE 3)

of the million or so mutual fund shareholders are on the periodic accumulation plan and how many just buy without any formal program. However, of the 2,881 shareholders who filled in the questionnaire, 1,199 were non-periodic investors and 1,682 were periodic. If the million shareholders are divided in that proportion, then about 415,000 are non-periodic and 585,000 are periodic. Which means that more than 200,000 in the former category own less than \$9,235 in life insurance and nearly 300,000 in the latter category own less than \$12,375 in insurance.

Life insurance men are going to ask: How do these figures—even granting

a generous margin for error—jibe with the mutual fund people's position that nobody should invest in mutual fund shares until he has an adequate program of life insurance?

The inadequacy of even a \$12,000 life insurance estate to protect a family in the event the breadwinner dies hardly needs explanation. Yet it is apparent that people with far less insurance protection than that consider themselves logical prospects for mutual fund shares. National Assn. of Investment Companies' survey makes it clear that there is a lot of missionary work for life agents to do to get people's thinking reoriented so they understand the desperate situation a family is in when the earned income stops. Stock, bonds, savings accounts are all fine. But their post-mortem value is exactly the same as their ante-

mortem value. Only life insurance actually multiplies the value of the dollars that have been invested.

The periodic accumulation plan-holder typically has only about half as much in bank accounts and savings bonds—\$1,825 vs \$3,612—as the man who just buys when the spirit moves him, even though family income of the two groups is about the same (\$6,375 vs \$6,987).

Another difference is that the median man who buys without any formal plan has \$4,920 in mutual fund holdings as against \$1,750 for the average accumulation plan-holder. An outstanding difference between the two groups is that median age of the regular account-holder is 54.3 years while that of the accumulation plan-holder is 41.7 years. The former group comprises many retired people.

Also the median regular account-holder has \$12,940 in corporate stock holdings as against \$1,817 for the accumulation plan-holder.

The survey provides the most comprehensive economic profile of shareholders ever drawn, according to E. B. Burr, public information director of the association. The results are published in a 16-page booklet, *Mutual Fund Shareholders*. The association is at 61 Broadway, New York City.

The amount of corporate stock-holdings of the fund investors who responded to the questionnaire ranged from a high of more than \$1 million to a low of a few dollars. Only 13% of the non-periodic account-holders and 28% of the periodic plan-holders reported no other stocks held. The greatest number of regular holders, 20%, reported stock holdings worth between \$10,000 and \$25,000. Among periodic plan-holders, 17% have corporate stocks valued between \$1,000 and \$2,500, while 13% reported owning less than \$1,000 in corporate stocks.

and 28.9%; \$7,500-\$10,000 14.2% and 18.7%; \$10,000-\$15,000 14.5% and 14%; \$15,000-\$20,000 6% and 6.5%; \$20,000-\$30,000 6% and 4.1%; \$30,000 and over 5.2% and 2.3%.

It is apparent, the booklet points out, that most mutual fund investors in both groups have family incomes well above the 1953 national median of \$3,780. Almost two-thirds of the account-holders and almost three-fourths of those with accumulation plans reported approximate family income in 1954 of \$5,000 or more. The large majority reported family incomes ranging from \$5,000 to \$15,000. The average family income of regular account holders in 1954 was \$9,941 and that of accumulation plan-holders was \$9,127. The median figures were \$6,987 and \$6,375 respectively.

The primary investment objectives listed by those replying to the questionnaire 15.9% of the regular account-holders and 14.9% of the accumulation plan-holders wanted protection against inflation. Future retirement income motivated 29.3% and 39.5% respectively of the two classes of repliers. Better income on savings was a primary objective with 28.4% and 27.5% respectively.

Diversification ranks first, by far, as the most attractive feature of mutual funds, according to the replies. Management is second and convenience of ownership is third. Accumulation plan-holders particularly are impressed with the lack of detail and the ease with which they may invest small amounts of money periodically.

Despite the frequent stress on the ready marketability of mutual fund shares, few investors in either group consider that to be of primary importance. This might well lead to the conclusion that most mutual fund holders invest for the long term and are not presently concerned about disposing of their shares, according to Mr. Burr.

## Nebraska Actuaries Meet

Nebraska Actuaries Club met at Lincoln, with President F. E. Huston, Guarantee Mutual Life, presiding.

The use of loss ratios in analyzing A&H business was a principal discussion topic. Also considered was the determination of liability in the annual statement under the proposed tax law, as well as other changes in the annual statement form.

## Interstate L.&A. Record

Interstate L.&A. set a new ordinary production high during October, designated as president's month in honor of H. Clay Evans Johnson.

Total production was \$19,335,500, topping the former one month record by nearly \$11 million. The Athens and Rome, Ga., districts, managed by M. F. Duke and J. D. Smith respectively, each produced more than \$1 million. J. R. St. Mary, Pensacola, won individual honors with \$297,551.

## Name 3 to Life of Ga. Posts

Life of Georgia has promoted Donald M. McDonald and LeRoy W. Echols from home office training assistants to district managers at Shreveport and Ocala, Fla., respectively. C. Boykin Turner has been named field supervisor at Mobile.

Mr. McDonald joined the company at Louisville and Mr. Echols at Atlanta, both in 1946. They have been training assistants since last spring. Mr. Turner has been with the company at Mobile for 18 years.

The choral club of Equitable Society made 11 appearances in the New York area during the Christmas season in addition to its home office concerts.

## 49th Year of Friendly Dependable Service

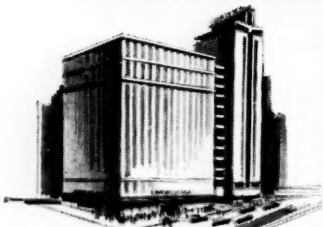
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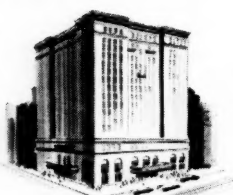
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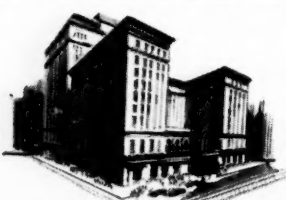
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## Utmost Vigilance Needed to Avert Inflation: Shanks

(CONTINUED FROM PAGE 1)

only from more production per worker. Consequently there will be a great need for funds for expansion and development. Insurance companies are now the major single source of investment capital.

Fortunately, new sources of capital are developing, said Mr. Shanks. One of the largest is private insured and non-insured retirement funds, reserves in which went from \$2.5 billion dollars in 1940 to \$21 billion in 1954. Mutual funds are another important source.

Without these relatively new and productive sources of funds it would be difficult to finance the growth which is necessary and desirable, said Mr. Shanks. Even so, the demands will tax the financial resources. Long-term capital fund needs are already running ahead of savings and "we are drawing upon commercial bank funds, which create an upward pressure on prices in many fields."

"Financing a new era of productivity might dangerously encourage inflation unless great care is used," Mr. Shanks warned. "The government will have an important part to play in regulating credit and interest rates, and business will need to cooperate. The door should be barred, however, to actual governmental financial assistance because government assistance, aside from being highly inflationary, means government interference, and finally government control. But by the intelligent management of our resources, I am sure we can avoid this."

Mr. Shanks pointed out that the economic future depends upon the consumer and over an extended period the consumers have remained in a "buying" frame of mind. If prosperity is to continue, business must remain aggressive, must promote its wares extensively, and must refine distribution techniques to improve service and eliminate unnecessary cost burdens. It is essential to retain the kind of constructive optimism that has encouraged consumers to plan confidently for the future. Moreover, new markets and additional consumers must be found. Foreign markets, particularly in South America, offer unlimited possibilities, in spite of aggressive merchandising by European producers.

Mr. Shanks took a hopeful view about the solution of the farm production problem even though temporarily the overemphasis of the problem for political purposes greatly delays the solution.

"In my opinion, the so-called farm problem primarily results from industry's failure to pass along to the general consuming public any appreciable part of productivity increases," said Mr. Shanks. "The tendency is more and more and more to divide productivity increases between the wage earners in the particular industry and the stockholders. Result: Farmers pay more than they should, general consumers not receiving the wage increases pay more than they should, and our economy is weakened because of this violation of the basic reason-for-being of a free enterprise economy."

Mr. Shanks expressed confidence in the ability of scientists and engineers to devise ways of utilizing available natural resources more efficiently and synthesizing effective substitutes for those now running low. He touched on automation but said the imminence of

technological changes is sometimes overestimated because such advances are not useful until practical engineers and management have adapted them to economic purposes.

From the standpoint of the needs and resources of prosperity, the picture is somewhat different from the one produced by simply extending present trends, said Mr. Shanks.

"Above everything," he said, "it demonstrates that sound and continuous leadership will be required if present prosperity is to be continued."

## Service Life, Fort Worth, Buys Houston Company

Service Life of Fort Worth has bought 100% of the stock of American United Services Life of Houston, and included in the sale was the latter company's 22-story Shell building.

Fred R. Dickey of Service Life said American United Services will be operated as a separate company for an indefinite period, with Service Life reinsuring all business written before Dec. 31, 1955. T. J. Moody was president and Troy Post chairman of American United Services. Mr. Moody also is president of Guaranteed Security Life and United Life, both of Fort Worth.

The purchase brings business in force of Service Life to more than \$80 million.

## Northwestern Mutual Agent Meetings Listed

Four hundred Northwestern Mutual Life agents are attending three midwestern meetings this month.

The first of the sessions was held in Springfield, Ill., Jan. 8-10. Dubbed the "Precentennial Powerama," the meeting emphasized the selling power of the company's new policy series. Nearly 150 agents attended, representing four Illinois general agencies. Special tribute was paid to the "Illini Ten-High," an honor unit composed of the highest sales producers in the group.

"There's Gold in Northwestern's 99th Mile" is the theme of the meeting to be held in Davenport, Ia., Jan. 15-17. About 150 agents from four Iowa agencies will attend. As the company approaches its 100th birthday in 1957, the Iowa agents will pay tribute to fellowworkers of long service. The program is dedicated to James Henry Copeland, the host general agent who is celebrating his 25th year as general agent in Davenport and his 40th as a Northwestern agent. Also to be honored are 26 other agents with 25 or more years of service.

One hundred agents from six general agencies in Minnesota, Wisconsin, North Dakota and South Dakota are expected to attend the Upper Midwest Annual Conference in Minneapolis Jan. 23-24. The theme of the session is "Achieve Your Potential."

Several home office men will appear on each program. A total of 12 officers and specialists will take part. Heading the list are President Edmund Fitzgerald, Vice-President Robert E. Dieneen, and Grant L. Hill, vice-president and director of agencies.

## National of Vt. Sales Increase 12% in 1955

National Life of Vermont sales in 1955 totaled \$209 million, increase 12%, establishing a new sales record for the fourth consecutive year. Annualized premiums on 1955 sales amounted to \$7,966,624, increase 7%.

Top 10 agencies in order of 1955 sales volume were Atlanta, Chicago, Hodes in New York City, Los Angeles, Roanoke, Manchester, N. H., Hartford, Cleveland, Binghamton, N. Y., and New Canaan, Conn.

## House-Passed Tax Bill Seen as Best Stop-Gap

(CONTINUED FROM PAGE 1)


sultants, and with staff members of the House ways and means committee and of the joint committee on internal revenue taxation.

No information was available this week as to whether Acacia or other companies will be represented at the finance hearings as dissenters to H. R. 7201. However, Acacia testified against it last year, and other life people rather expect the company will do so again.

A company spokesman said it would not be determined whether Acacia will testify this year until after the Treasury proposal is developed.

At the social security hearings, life company representatives will oppose reduction of the OASI eligibility age for women from 65 to 62 years. The U. S. Chamber of Commerce and National Assn. of Manufacturers have also taken this position.

The blood bank of the John Hancock war veterans association reached its 1,000th pint for 1955 as the year ended.



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XUM

## A &amp; S

**A&H Bureau to Meet with FTC on A&S Ads**

The governing committee of Bureau of A&H Underwriters has voted to send representatives to the federal trade commission conference on A&S advertising rules on Feb. 8-9 in Washington.

Berkeley Cox, general counsel of Aetna Life and chairman of the governing committee, has appointed J. F. Follmann, general manager of the bureau, and John McAlevey, counsel, to attend as representative and alternate, respectively. The governing committee will receive a report at its Feb. 23 meeting.

After National Assn. of Insurance Commissioners adopted the advertising rules and voted to set up a permanent committee on interpretation, FTC announced the conference and said commissioners, companies and associations would be invited to attend. The bureau has been advised to expect an invitation.

The governing committee has approved the NAIC advertising rules and commended them to its member companies. It voted to send the rules to the next annual meeting of the bureau to be voted upon by the membership for incorporation, as a supplement, to the code of practices adopted by the bureau in 1954.

**Slate DITC at Indianapolis**

Indianapolis Assn. of A&H Underwriters will open its third disability insurance training course Feb. 9 in cooperation with Butler university. The course will meet Thursday afternoons for 13 weeks.

Butler and the Indianapolis association jointly sponsored the first DITC

last spring. Another course was run at the school last fall and subsequent courses will be conducted every semester as long as demand continues. Instructor is William Highfield, A&S editor for Insurance R&R.

**Plan A&S Course of LUTC at Chicago Starting Feb. 3**

The new A&S agents' training course being sponsored by Life Underwriter Training Council will be conducted for the first time in Chicago, beginning Feb. 3. Class sessions, to run for 12 weeks, will be held on Friday afternoons at 135 South LaSalle street. The \$30 fee includes cost of text material and examination. A group of outstanding life and A&S authorities will serve as instructors.

Several companies have adopted scholarship plans for the course. Primary emphasis is on the development of skills and the use of knowledge as contrasted with the acquisition of information alone. Chairman of the course is E. D. Tripple, life and A&S manager of Rockwood Co.

**Weisensel to LaCrosse Helm**

La Crosse (Wis.) A&H Assn. has elected L. V. Weisensel, president; Frank Kneeland, vice-president, and Gertrude S. Valier, secretary.

**Plan Cincy Congress**

Cincinnati Life Underwriters Assn. will hold its annual sales congress Jan. 20.

Talks will be made by James Lincoln, Lincoln Electric Co., Cleveland; J. L. Bosco, Manufacturers Life, Welland, Ontario, and K. L. Anderson, Insurance R&R.

There also will be room hopping sessions in which the following leading local agents will preside: Sidney Weil, Mutual Benefit Life; W. B. Hardy, New England Life; R. A. Lauer, Northwestern Mutual; F. C. Hiron, Union Central; J. B. Frohman, Northwestern Mutual; R. E. Denman, Pacific Mutual; R. F. Ives, Massachusetts Mutual, and M. J. Koch, Northwestern Mutual.

**Local Committee Heads Named For NALU Midyear**

HARTFORD—Clifford Washburn, Metropolitan, Life, who is general chairman of the Hartford Life Underwriters Assn. committee for the National Assn. of Life Underwriters midyear meeting here March 19-22, has appointed the following committee chairmen: Hollis Woods, Mutual Benefit Life, ways and means; Gordon Pryor, Manufacturers Life, program; Howard Krick, Penn Mutual, New Haven, exhibits; Richard N. Boulton, Phoenix Mutual home office, publicity.

The local association will be host at a reception for delegates Tuesday evening, March 20.

**Life of Va. Makes 5 Managerial Changes**

Life of Virginia has appointed Ralph H. Johnson district manager at Norfolk to succeed Robert W. McWilliams, who has been elected 2nd vice-president. Mr. Johnson, with the company since 1938, has been manager of the field training division.

Stewart J. Dunn and Coleman R. Menyhert have been named district managers at Baltimore. Two offices were created by dividing the Baltimore office formerly headed by Paul J. Williamson. Mr. Williamson has been named assistant vice-president in charge of the field training division. Mr. Dunn has been associate manager at Baltimore since 1940. Mr. Menyhert joined the company at Cleveland in 1949 and has been field training supervisor for the past year.

Seymour S. Ravid has been appointed district manager at Detroit to succeed Samuel S. Harrell, who retired after 32 years' service. Mr. Ravid has been associate manager since 1938.

John S. Brindle has been named district manager at Rock Hill, S. C., to succeed V. D. Adams, who died suddenly. Mr. Brindle joined the company in 1947 and has been field training supervisor since 1953.

**C. F. Lien Retires**

C. E. Lien, president of United American Life of Denver, has retired. The new president will be elected in March.

With the company since its organization in 1936, Mr. Lien has served as secretary, treasurer, vice-president, and as president since 1942. He is a past president of Colorado Life Convention.

**No Group for Boston's Employees**

BOSTON—Mayor Hynes has vetoed a group life and medical insurance policy for Boston's city employees. He said the program would cost the city about \$1,350,000 next year and the city's financial condition didn't warrant the imposition of such an additional burden on the tax-payers. The city council had called for acceptance of state legislation that would have established a contributory insurance program for more than 20,000 city and county employees.

**Boost Capital of Texas Life**

Stockholders of Texas Life of Waco have approved a proposal to increase capital stock from \$500,000 to \$750,000 and to change the par value of shares from \$20 to \$10 each.

The capital increase was effected by a 50% stock dividend. Holders of record Dec. 15, 1955, will receive three shares of \$10 par value stock in exchange for each share of \$20 par value.

**ACTUARIAL OPPORTUNITY**

A multiple line life company located in a medium size Eastern city wants a young man 25 to 35 with actuarial qualifications and experience. At least four actuarial examinations. Group experience desirable. Write Box J-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., giving background, experience, military status, and salary requirements.

**Don Carlos Retires from Travelers Post**

Harlan S. Don Carlos, attorney in the claim departments of Travelers and an insurance law educator, retired Dec. 30 after 38 years with the company.

He was, over the years, an adjuster, assistant and associate chief adjuster and manager of the life, accident, and group claim departments. He became attorney of the departments in 1947.

He was president of Hartford College of Insurance from 1938 to 1948 and is presently a member of the college advisory committee. He is a former president of International Claim Assn., a former vice-president of International Assn. of Insurance Counsel and a past chairman of the latter's A&S law committee. He is chairman of the committee on lay adjusters of International Claim Assn.

Early last year he was honored by Southwestern Legal Foundation of Dallas for his part in organizing the country's first insurance law center in Dallas.

**Fidelity Mutual Names Hamburg at Bridgeport**

Fidelity Mutual Life has appointed Warren K. Hamburg general agent at Bridgeport, Conn.

Mr. Hamburg joined the company at Philadelphia eight years ago and was appointed agency supervisor in 1951. He has completed the Purdue and Penn State courses.

**Occidental, Cal., Makes Three Group Appointments**

Occidental Life of California has promoted George Fenzell to associate regional manager in charge of a new group office at Newark. Mr. Fenzell joined the company at Pittsburgh in 1953 and has been assistant regional group manager there since last April.

Jean P. Charlebois has been advanced to regional group manager at Montreal. He joined the company there in 1951 and has been assistant regional group manager since last April.

John T. Walsh, with the company at Chicago since 1954, has been appointed assistant group service manager there.

**W. H. Burrows Named GA**

Massachusetts Mutual has appointed William H. Burrows as general agent at Providence in association with General Agent Roderick Pirnie, who has headed the agency since 1938.

Mr. Burrows was in the general insurance field before joining Massachusetts Mutual in 1949. For four years he has assisted Mr. Pirnie in administrative work in addition to

producing a high volume of personal business. He is president of Rhode Island Junior Chamber of Commerce and a member of the national board of directors. He has served as a regional chairman of the United Fund of Rhode Island and as vice-chairman of the mayor's traffic safety committee in Providence and chairman of the Red Feather speakers bureau.

**LeBeau to Glasser Agency**

Norman J. LeBeau has joined the Glasser agency of Continental Assurance at Chicago as brokerage manager.

Entering insurance as an agent at Chicago in 1926, Mr. LeBeau went with State Mutual Life in 1943 as brokerage manager for the Frank agency there.

## WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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**LIFE UNDERWRITER**

Company in Middle Atlantic State is embarking on national agency-building program. Most Life business will be re-insured. Underwriter will not be concerned with policy-issue, policy-make-up, or clerical duties. This is a well-established company of strength and stability. Pleasant environment. Good housing available. Opportunity to head department. This is the last change for the right man. Some A & H helpful. Minimum, three years' experience. Write Box #J-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Prominent well-established western Life Insurance Company wants Home Office Life Underwriter for responsible position. Minimum of 4 years ordinary underwriting experience. Age 25-40. An excellent opportunity for well-qualified man. Box #K-1, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

**HOME OFFICE AGENCY ASSISTANT**

To assist in establishing Agencies, Mid-West Company has exceptional opportunity for capable man interested in growing with Company. Travel required. Salary open, promotion based on accomplishments. Address Box #J-94, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

**ASSOCIATE ACTUARY**

Major Airline has opening in Chicago for man to direct and manage Pension and Group Insurance Plans. Must be capable of stimulating better employee understanding of these benefits. Self administration of Claims and accounting. Salary open. Address Box #J-95, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



W. H. Burrows



## FRATERNALS

### Lutheran Brotherhood '55 Sales Hit New High, GAs Told at Conference

Lutheran Brotherhood had record sales of more than \$105 million in 1955, President Carl F. Granrud told 59 general agents in attendance at their annual conference at Minneapolis.

For the first time, individual Lutheran Brotherhood agents passed the million-dollar annual sales mark. Enfrid Benson of San Francisco, Walter Luecke of Clifton, N.J., and Herbert Mullen of Stoughton, Wis., each exceeded the mark. The W. P. Langhaug agency at Chicago led all agencies with sales of more than \$4.5 million.

N. K. Neprud, vice-president, and Harold C. Hoel, superintendent of agencies, were in charge of conference sessions, which included presentations by Herbert Johnson and M. J. Emerson, assistant superintendents of agencies; D. E. Lommen, educational director; R. I. Jacobson, vice-president and chief actuary, and A. Kognison, underwriting vice-president.

General agents who participated in the program were L. H. Peters, Decatur, Ill.; E. N. Botten, Seattle; A. C. Lundring, Pasadena, Cal.; and G. M. Mikkelsen, Antigo, Wis.

Following a tour of the society's new \$2.5 million home office building nearing completion, there was a banquet at which the speaker was Arthur R. Hustad, Minneapolis manager of Northwestern National.

### Scheibe Writes \$1.2 Million in 2 Years, All Still on Books

A perfect score of 100% persistency on more than \$1 million of 1954-1955 life insurance business was registered by Harlan W. Scheibe, Aid Association for Lutherans representative at Wichita.

Mr. Scheibe had no lapses on more than 250 certificates. His two year production was \$1.2 million, with an average adult contract of \$6,700.

Mr. Scheibe, with the fraternal since

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1946, has taken three sales training and insurance courses, including the Southern Methodist University institute program.

Of all A.A.L. insurance written in 1954 and 1955, more than 93% was in force Jan. 1, 1956. First year lapse rate on all 1954 business was less than 7.5%. At the end of 1954 Aid Association ranked 50th in ordinary life insurance in force among U. S. and Canadian organizations. However, it was 34th in amount of gain for the year and fifth among the top 50 in percentage of gain.

A.A.L. closed 1955 with more than \$950 million of insurance in force and \$205 million in assets.

### Merge New York Fraternals

The New York department has approved the merger of Workman's Benefit Fund and Workman's Benefit & Benevolent Assn., both of New York City. The merger of the two fraternals ends a 44-year split, caused by the desire of certain members to add juvenile health and life insurance to the program then in force. In the ensuing years, the fund added juvenile insurance to its program, clearing the way for a merger.

Workman's Benefit Fund will assume the assets and liabilities of the other organization, resulting in assets of approximately of \$8,310,000 and more than \$21 million of insurance in force.



Maccabees has issued certificate number two million to Gov. G. Mennen Williams of Michigan, shown above completing the application. At the left is John C. Lehr, Maccabees president, and in the background are Norman C. Nelson, secretary-treasurer, left, and Arthur F. Devine, supreme trustee, Detroit district manager who wrote the application.

### United L. & A. Tops \$200 Million Mark in Force

United Life & Accident has topped the \$200 million mark for insurance in force. This was the goal of a drive begun six months ago and spearheaded by the general agents.

The company was incorporated in 1913 and now has 61 employees at the home office. It is licensed in 16 states and District of Columbia. The company passed the \$50 million insurance in force mark in 1942, \$100 million in 1949 and \$150 million in 1953.

### To Sell Stock to Laundry Union

LOS ANGELES—California Life has been granted a permit by the insurance department to issue and sell 10,000 shares of its class A stock, \$5 par value, to the social security department of the Laundry Workers International Union at a price of \$10 per share.

### N.Y. Insurance Probers Return to Private Law

Harold I. Kahen and Benjamin L. Tenzer, who served as associate counsel in the New York insurance department's investigation of employee welfare and pension plans, have returned to private law practice in New York City. They were primarily engaged in drafting legislative recommendations for registration of the employee benefit programs and supervising related aspects of the study.

Mr. Kahen is associated with the firm of Delson, Levin & Gordon and Mr. Tenzer has resumed his private law practice.

### Moyler, Christian, Wirth Advanced by Life of Va.

Life of Virginia has advanced John Moyler Jr. from assistant vice-president to 2nd vice-president. He is in charge of public relations and advertising and has been with the company since 1932 except for war service.

DeLos H. Christian and William C. Wirth, assistant actuaries, become associate actuaries. Mr. Christian joined life of Virginia in 1952 after being with Equitable Society. Mr. Wirth left Connecticut General two years ago to join Life of Virginia.

### Pru Promotes Two in Mich.

Prudential has promoted Kenneth E. Schleicher, staff manager at the Palmer Park office, Highland Park, Mich., since last March, to manager of the Lansing district, and Clifford E. Maison, staff manager at Pontiac, to manager of that district.

Mr. Schleicher joined Prudential in 1945 at Grandmont, Mich., and was made staff manager there in 1948. Mr. Maison joined Prudential in 1928 at Pontiac and was named staff manager in 1932.

### Great-West Appoints 6 to Agency Division Posts

Great-West Life has made six agency division appointments. G. I. Powell



G. I. Powell

becomes superintendent of sales promotion and services, D. C. Elliott manager of field training, N. Powell manager of branch office administration, W. F. Acheson supervisor of field service, D. W. Bajus supervisor of field training and R. E. Williams supervisor of sales promotion.

Mr. Powell, formerly manager of sales promotion and services, joined Great-West Life in 1945 after a number of years' experience in production and managerial positions.

Mr. Elliott joined the company at Kingston, Ontario, in 1950 where he was appointed manager three years later. He went to the head office as agency assistant in 1954.

Mr. Powell joined the company's Winnipeg branch in 1924 and after service in several branches was assigned to the home office in 1943 where he became supervisor of branch office administration in 1954.

Mr. Acheson started with Great-West in 1947 and Messrs. Bajus and Williams in 1950.

### Edward Erickson Retires

Edward Erickson, assistant treasurer of Federal Life of Chicago, has retired after 25 years with the company. He was named assistant treasurer in 1953 after previous service as auditor, investment department.

Life

A & H

Group

Franchise

Hospitalization

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## POLICIES

### American National Cuts Rates on Ordinary; Enters Non-Can A&S

American National has entered the non-cancellable A&S field and also issued a revised rate book with reductions on a number of its regular ordinary plans. The rate reductions, effective Jan. 1, are in addition to those on earlier plans last October.

The reductions are general and varied with the policy plan, reflecting the effect of experience on each. All rates for ages under six months and the early infant ages were affected. Typical decreases for certain important plans at age 30 are: Life income endowment at 65, \$1.87; at 60, \$2.17; at 55, \$2.12; 15 year term, \$1.66; 10 pay life, 64 cents, and 15 pay life, \$1.49.

Reductions were made possible by betterment in mortality and lowered costs due to increased business over the last several years. In addition to the revised rate book, the company is issuing a policy illustrations book for use by agents and brokers.

In addition to non-can, the company revised its existing line of commercial A&S policies and is issuing two new major medical policies.

In non-can policies company offers individual A&S monthly indemnity; individual hospital & surgical expense; family hospital & surgical expense, and individual accident only income.

The guaranteed renewable hospital and surgical expense reimbursement plans will be issued with daily room benefits ranging from \$8 to \$20 and with surgical schedules up to \$350. Miscellaneous hospital charge benefits are based on a sliding scale and increasing with length of hospital confinement.

Another feature introduced with both the non-can and the commercial plans is a rider setting an optional deductible.

Major medical will be issued on an individual or family policy basis, with deductible and coinsurance provisions based on a sliding scale compatible with the economic bracket of the insured.

Revisions in the commercial line (renewable at option of company) were extensive, resulting in a practically new line. All forms now include, in states where approved, the new standard provisions promulgated by the insurance commissioners' and contain the new two-year incontestable clause in limitation of defense against certain pre-existing conditions.

The company also now accepts A&S business from brokers and surplus line

writers who hold brokerage life contracts.

### North American, Chicago, Liberalizes Pilot Rates

North American Life of Chicago is now issuing policies at standard rate to all commercial air line pilots and crew members who operate on scheduled passenger airlines of the U.S. and Canada, either on domestic or international flights.

The company rates at \$2.50 a thousand, policies for professional pilots who fly company owned planes for business when the type of aircraft, pilots' qualifications and maintenance service compare with scheduled lines.

An occupational rating of \$5 a thousand will be charged pilots engaged in student instruction, freight carrying service, non-scheduled passenger service, chartered and sight-seeing flying, inspection flying, and photographic work.

Private pilots 30 years of age or older and not flying for pay will be considered for standard rates if they have 400 hours flying experience and don't fly over 100 hours a year.

Military pilots age 30 and over are rated at 50 cents a month per thousand of ordinary life or higher premium plan and those under 30 at \$1 a month per thousand of face amount. Paratroopers and air borne infantrymen will be considered with an occupational rating of 25 cents a month per thousand for ordinary life or higher premium plans.

### N. E. Life Changes Group Annuity Rates

New England Mutual Life has changed rates for regular group annuities, profit sharing group annuities and deposit administration group annuities. The change results in lower premiums except in the small case area.

The new premiums are based upon the 1951 group annuity table with ages set back one year for males and six years for females, interest at 2 3/4% per year, with a loading of 5% of gross premium. On cases where these rates produce an annual premium less than \$35,000, a policy charge is made. The initial minimum guaranteed rate of interest on amounts paid into the unallocated funds under deposit administration group annuities is 2 3/4% per year.

### Cuts Some Pilot Rates

West Coast Life liberalized its aviation underwriting.

Pilots and crew members of scheduled passenger airlines of the U. S. and Canada on flights inside or out of the country, can now be written standard.

Non-commercial pilots can also be written standard if they are insurance age 27 or over, have over 400 total solo hours experience and fly less than 110 hours annually. Other non-commercial pilots will be rated from \$2.50 per \$1,000 up.

Ratings have been lowered on certain other special aviation categories.

### Postal Cuts Premiums, Increases Options and Offers New Policies

Postal Life has made a number of sweeping changes in its rate and policy structure. A new rate book is being issued.

Premiums have been reduced on life policies, term riders and long term endowments, with proportionate reductions in the premium waiver rates. Premium rates have been reduced 5% on low cost "special" policies, and reductions go as high as 20% on family income and term riders.

Settlement options have been liberalized.

Double indemnity now is issued at ages 10 to 55 for a maximum of \$50,000 subject to a \$100,000 maximum for all companies.

New policies and riders now are being issued. The "life expectancy term" can be converted up to five years prior to expiry. It has cash, paid up and extended insurance values, a minimum of \$5,000, and can be written with level term riders added to provide quadruple protection. In lieu of term riders, family income riders can be added up to \$30 a month per \$1,000.

The new mortgage redemption policy now provides cash equal to the unpaid balance of a 4 1/2% monthly reducing mortgage. It can be converted up to 75% of its current death benefit and is written with a \$5,000 minimum.

The waiver of premium rider on the five and 10-year term, life expectancy and supplementary term riders now provide, in case of disability prior to the end of the conversion period, that the term premium will be waived to the end of the conversion period. Then, the term insurance will be converted automatically to ordinary life with waiver. Premiums on the new ordinary will be waived during continuance of disability.

### Rate Penalty Removed for Some Pilots by Occidental

Occidental Life of California is now insuring pilots and crew members of regularly scheduled C. S. and Canadian passenger airlines at standard rates. Non-commercial pilots 27 years of age and over who have 400 hours solo flying time but fly no more than 110 hours annually also are eligible for standard rates.

There have been further reductions and extra premiums for other non-commercial pilot classifications involving no special hazards.

### Colonial Liberalizes Aviation Underwriting

Colonial Life has liberalized its aviation underwriting practices to offer life at standard rates to commercial airlines and to many private pilots formerly charged extra premiums.

The new ruling affects pilots and crewmen of scheduled airlines based within the U.S. To qualify for standard, private civilian pilots must be at least 30 years old, have at least 400 solo hours and fly less than 110 hours annually.

### Republic National Life Names Two Resident V-Ps

In an expansion of its reinsurance service, Republic National Life has named two resident vice-presidents, Thomas H. Austin at Atlanta and William N. Stannus at Little Rock.

Mr. Austin, formerly assistant vice-president, joined Republic National a year ago. Before that he was secretary-treasurer of Life of Texas. He started in insurance at Richmond, Va., as a cashier for Sun Life of Canada and later was named manager at Newark and branch secretary at Portland, Me. He is a fellow of Life Office Management Assn.

Mr. Stannus has served in various life insurance capacities and for 18 years was with First Pyramid Life, most recently as vice-president and secretary.

### J. J. Smith New Bankers, Ia. Manager at Sioux City

Joseph J. Smith has joined Bankers Life of Iowa as manager at Sioux City, Ia., succeeding F. H. Peterson who retired under the company's pension plan because of his health.

Formerly supervisor at Davenport for Penn Mutual Life, Mr. Smith entered insurance as a part-time agent while teaching school at Napoleon, O. He later entered the business full time there, went to Toledo in 1953 as field supervisor and to Davenport in 1954.

### Penn Mutual Elects Two New Directors

Penn Mutual Life has elected Oliver DeG. Vanderbilt 3rd and R. Stewart Rauch Jr. trustees. Mr. Rauch is president of Philadelphia Saving Fund society. Mr. Vanderbilt is vice-president and director of Baldwin-Lima-Hamilton Corp.

### Houston Life Insurers Merge

National Founders Life of Houston has acquired 80% of the stock of American Investors Life of that city and ownership of the latter's 21-story Sterling building in Houston.

National Founders was organized June 3, 1955, but the continuing company will take the name American Investors Life. Value of the Sterling building was placed at \$3.5 million, with other company assets amounting to some \$2 million.

The two companies have a total of more than \$30 million of life insurance in force and capital and surplus in excess of \$1 million.

National Founders was organized by Warren Fleming and Jack Musslewhite, who will serve the new company as president and executive vice-president, respectively. H. L. Clark and P. H. Johnston, both formerly with American Investors, will serve as vice-presidents of the new company.

### To Hear Perkins at Chicago

Chicago A&H Assn. at a meeting Jan. 17 will hear a talk by A. W. Perkins, vice-president of Union Mutual Life. A former Maine insurance commissioner, Mr. Perkins last year was chairman of Bureau of A&H Underwriters.

Douglas W. Moore, an Occidental Life of California agent at Atlanta for a year, has been advanced to assistant manager there.

### Additional 1956 Dividend Action Announced by Companies

Name of Company	Current Policies	Old Policies	Funds Left with Company			Name of Company	Current Policies	Old Policies	Funds Left with Company		
			Non-withdrawable	Withdrawable	Accum. Divs.				Non-withdrawable	Withdrawable	Accum. Divs.
American Bankers	Same as '55	2.5	2.5	2.5	2.5	Loyal Protective	Approx.	3.1	3.1	3.1	3.1
Bankers Natl., N. J.	"	2.5	2.5	2.5	2.5	Lutheran Mutual	9% Incr.	3	3	3	3
College Life	"	3	3	3	3	Manhattan Mutual	Same as '55	2.5	2.5	2.5	2.5
Continental, Texas	"	2.5	2.5	2.5	2.5	Monarch Life, Mass.	3(d)	2.5	2.5	3	3
	Approx.					Mutual Benefit, N. J.	Increased	3.2	3.2	3.05	3.05
Equitable, Can.	15% Incr.	3.75	3.75	3.75	3.75	North Carolina Mut.	Approx.	2.5	2.5	3	3
Equitable, Iowa	Same as '55	3	3	3	3	Occidental, Cal.	30% Incr.	Increased	Guaranteed Rate	3	3
Excelsior, Can.	"	3	3	3	3	Pacific Mutual	Increased	3.15	3.15	3.15	3.15
First Pyramid, Ark.	Some Revisions	2.5	2.5	2.5	2.5	Prof. & B. Men's	Same as '55	Same as '55	3	3	3
Golden State Mut.	Same as '55	2.5	2.5	2.5	2.5	Prudential	Increased	3.125	3.125	3	3
	Approx.					Security Benefit	Same as '55	2.5	2	3	3
Great Southwest	15% Incr.	3.5	3.5	3.5	3.5	Western Farm Bureau	Same as '55(j)	Same as '55(j)	(i)	2.5	2.5
Guarantee Mut., Neb.	Same as '55	3	3	3.25	3.25	Western National	Same as '55	Same as '55	3	2.5	3
Guaranty Income	"	2.5	2.5	2.5	2.5						
Ky. Home Mutual	Same as '55(a)	2.5	2.5	2.5	2.5						
London Life	Same as '55	3.5	3.5	3.5	3.5						

(a) Slight variations. (d) 2% on all contracts involving life contingencies (or guaranteed rate if higher). (i) Int. option 2%; all others 2 1/2%. (j) To April 30, 1956.



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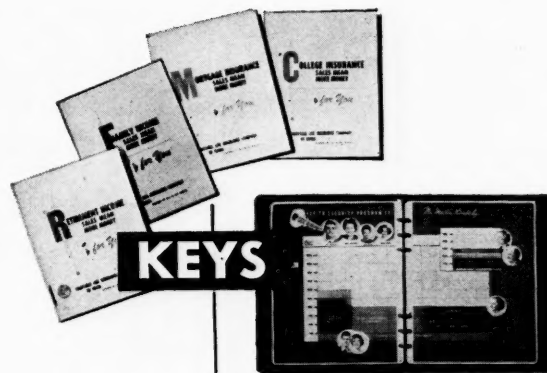
## "PRIMING THE PUMP" IS NOT NECESSARY IN 1956

This new year of 1956 promises a continuation of peace, of prosperity and happiness. We hear much talk of this being an election year and that the present Federal administration will "prime the pump" in an effort to insure tenancy in office. We believe, and history supports our opinion, that "priming the pump" is not necessary. We believe that our combined efforts for prosperity can and will insure our economic future.

It's the pump that is manned that produces. Let's forget "priming the pump" and man them. Ours will be! What about yours?

*Pat McInerney*  
President

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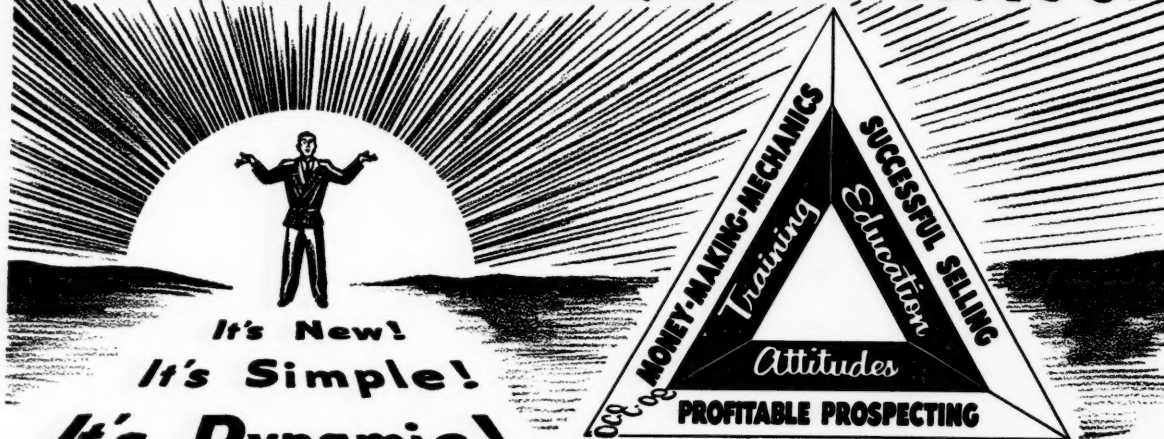
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